

**FBIS**

# DAILY REPORT

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***China***

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PRC INTERNATIONAL AFFAIRS  
GENERAL

A 1

FOREIGN MINISTRY SPOKESMAN ON TAIWAN, SRV

OW101333 Beijing XINHUA in English 1321 GMT 10 Oct 84

["More Lenient Policies Towards Taiwan" -- XINHUA headline]

[Text] Beijing, October 10 (XINHUA) -- "Our policies toward Taiwan will be more lenient than the present policies towards Hong Kong," said a Foreign Ministry spokesman here today.

Speaking at a news briefing here this afternoon, Foreign Ministry spokesman Wang Zhenyu said that the settlement of the Hong Kong question would definitely contribute to an early return of Taiwan to the embrace of the motherland.

After the reunification of China was realized, Wang said, China would make arrangements in accordance with the proposition of "one country, two systems".

Answering another question about Vietnamese Foreign Minister Nguyen Co Thach's recent talks of withdrawing a greater part of Vietnamese troops from Kampuchea in five to ten years, Wang said this was merely a repetition of the old tune played by Vietnam. There was nothing new in it. The core of his remarks was refusing to withdraw Vietnamese troops out of Kampuchea, he pointed out. "What Nguyen Co Thach talked about is only a trick of the Vietnamese authorities to resist the international community's demand that Vietnam completely withdraw its troops out of Kampuchea. This just shows that Vietnam does not have any sincerity to withdraw its troops," he said.

RENMIN RIBAO ON SIGNIFICANCE OF '5 PRINCIPLES'

HK100808 Beijing RENMIN RIBAO in Chinese 9 Oct 84 p 7

[Article by Zhu Qiwu: "The Practical Significance of the Five Principles of Peaceful Coexistence"]

[Text] It has been proved through practice over the past 3 decades that the Five Principles of Peaceful Coexistence are playing a more and more important role in the establishment of international friendly cooperative relations, in the struggle against imperialist aggressive wars, and in safeguarding world peace and security.

First, the Five Principles of Peaceful Coexistence have become the basic principles of modern public international law. Many foreign countries which have established diplomatic relations with our country have acknowledged that the Five Principles of Peaceful Coexistence are the basic principles in guiding the relations between the two countries through the publication of a communique on establishing diplomatic relations or signing agreements between them. The "Declaration on the Promotion of World Peace and Cooperation," adopted at the Bandung Afro-Asian Conference with the participation of 29 countries in 1955, has pointed out that the 10 principles that guide the relations between countries are in unanimous conformity with the 5 Principles of Peaceful Coexistence, and are a development and extension of the latter. The "Declaration on the Principle of Public International Law in the Establishment of Friendly Relations and Cooperation Based on the Charter" adopted by the 1970 UN General Assembly and the "Charter on the Economic Rights and Obligations of All Countries" adopted in 1974, have both included the essence of the Five Principles of Peaceful Coexistence as the basic principle for guiding the economic, political, and other relations between countries. In short, the Five Principles of Peaceful Coexistence have occupied an important place in modern public international law, and are applicable to all relations between countries, irrespective of their social systems. In other words, they must be applied to the relations between capitalist and socialist countries, between one capitalist country and another, and between one socialist country and another.

Second, the Five Principles of Peaceful Coexistence are the most important and fundamental criteria for handling present-day international relations. Directed at the characteristics of such relations, they have highly generalized the principles of modern public international law, and concentrated and improved them, in close association with the actual conditions and in most concise language. The world situation is forever changing, and international relations are most complicated. The world arena of the 1970's has in the main become a confrontation of two superpowers and a division into three worlds. Under such circumstances, the Five Principles of Peaceful Coexistence have become the correct and basic principles for uniting the Third World countries, developing friendly cooperation and economic ties, and opposing hegemonism and safeguarding world peace and security. In the world today, there is no way out but to follow the Five Principles of Peaceful Coexistence if peace is to be maintained, friendship is to be realized, and economic cooperation is to be developed. Therefore, they are of particularly great practical significance in guiding present-day international relations.

Third, the Five Principles of Peaceful Coexistence have given a voice on international affairs to the once oppressed nations and countries now independent, and have laid the foundation for establishing a new world order. There is no evading the fact that in modern world relations, imperialists have implemented their aggressive policies, with the big countries bullying the small and the powerful bullying the weak; and wars have been their "legitimate" means of pursuing their foreign policies. There has been no equality to speak between countries, and the principle of sovereignty has been applicable to the so-called civilized world of Western countries only. However, after the Second World War, a large number of colonies and semi-colonies, have in succession broken the bond of the colonial rule of imperialism and have established their independent countries. In regard to world affairs, they resolutely advocate peaceful coexistence, friendly cooperation and equality in sovereignty, and oppose aggression. The rational demands and just stand of the Third World countries on international relations will lay a solid foundation for establishing a new world order. In reference to the development of economic cooperation, the Third World countries are developing their national economies today, and they are demanding a new international economic order. This primarily requires the establishment of normal relations of peaceful cooperation between countries, and the principle of equality and mutual benefit must be adhered to if economic cooperation is to be developed. Only when two countries are on an equal footing, will it be possible to achieve genuine cooperation. Besides, in economic trade relations, no matter what disputes may emerge, they should be handled by peaceful means. Therefore, the Five Principles of Peaceful Coexistence are indispensable to the establishment of a new international economic order, and they are also the guiding principles and necessary conditions for establishing a new international economic order.

International practice over the past 3 decades has fully proved the correctness, importance, and necessity of the Five Principles of Peaceful Coexistence. Undoubtedly, if all countries in the world observe the Five Principles of Peaceful Coexistence, the world situation will become stable, aggressive wars will be prevented, world peace will be safeguarded and, at the same time, world economy will be developed, and the people's living standard will also be improved.

#### CHEN MUHUA MEETS UNIDO TECHNOLOGY DELEGATES

OW102001 Beijing XINHUA in English 1651 GMT 10 Oct 84

[Text] Beijing, October 10 (XINHUA) -- Foreign Economic Relations and Trade Minister Chen Muhua today met delegates attending the ninth meeting of heads of technology transfer registries of the United Nations Industrial Development Organization (UNIDO).

The meeting, which opened here on Monday and runs until Saturday, is being attended by representatives from more than 20 countries and international organizations. The agenda includes discussion of technology transfer between developing countries.

State Councillor Chen Muhua said the meeting was not only vital to promoting technological progress in the developing countries, but was also a major way of improving understanding and friendship between nations. "As a host country, China will learn a lot from other countries through this meeting," she added. Chen also briefed the delegates on China's policy of opening to the outside world.

#### PRC-UN CHILD RESEARCH CENTER CONSTRUCTION BEGINS

OW091400 Beijing XINHUA in English 1158 GMT 9 Oct 84

[Text] Beijing, October 9 (XINHUA) -- A ceremony to mark the construction of a child development research building and an extension project of the National Children's Center was held here today.

Located in the compound of the National Children's Center (Guanyuan) in the western part of Beijing, the six-story building of the Child Development Center of China will contain a library, an exhibition hall, an audio-visual room and a lecture room. It will be completed before June 1 Children's Day of 1986.

Rong Gaotang, director of the preparatory committee of the National Children's Center, said at today's ceremony that the Child Development Center, a cooperative project between China and the United Nations International Children's Fund, will study questions related to the health, nutrition, education and psychology of Chinese children to promote child care in China.

The 18,000-square-meter extension project will include a hall of science and technology and an indoor stadium which contains a gymnasium, a swimming pool, a martial arts hall and a table tennis hall. Set up in 1982, the existing 80,000-square-meter National Children's Center, the biggest in China, has a theatre and halls for scientific and art activities and gardens.

Mr. Carl Taylor, resident representative of UNICEF in China and his wife attended today's ceremony. Also present at today's ceremony were leaders from the All-China Women's Federation, the Ministry of Foreign Economic Relations and Trade, and the Beijing municipal government.

#### NANJING OPENS BRANCH OF WORLD TRADE CENTER CLUB

OW051934 Beijing XINHUA in English 1924 GMT 5 Oct 84

[Text] Nanjing, October 5 (XINHUA) -- China's first club of the World Trade Center Association was set up here yesterday.

The Nanjing World Trade Center Club with noted figures in Jiangsu, Hong Kong and foreign countries as members will provide consultancy to clients, help arrange business, encourage the association's clubs and foreign economic and enterprise circles to develop trade relations with Jiangsu and the neighboring areas, and offer preferential treatment to foreign club members who come to Nanjing for trade.

P.A. Hall, a representative of the association who came to Nanjing from New York headquarters for the occasion, presented a membership certificate to the general manager of the Nanjing Club -- Zhang Xinsheng at the opening ceremony.

The Chinese club was accepted as a member organization of the association at its board meeting on September 21 this year. The application was made by Jiangsu Province in mid-July. The club is housed in the Jinling Hotel.

REPORT ACCUSES USSR OF VIOLATING ARMS PACTS

OW110846 Beijing XINHUA in English 0835 GMT 11 Oct 84

[*"Reagan Accuses Soviet Union of Violating Arms Control Agreements"* -- XINHUA headline]

[Text] Washington, October 10 (XINHUA) -- President Ronald Reagan today sent Congress a report, accusing the Soviet Union of violating about half of the arms control agreements over the past 25 years.

"The Soviet Union's actions since 1958 concerning arms control agreements demonstrate a pattern of pursuing military advantage through selective disregard for its international arms control duties and commitments," the report said.

The report said the Soviets have breached or circumvented commitments in 17 nuclear and nonnuclear areas.

The report was prepared by the bipartisan General Advisory Committee on Arms Control and Disarmament at the request of conservatives in the U.S. Congress who contend the Soviets have violated existing arms treaties in the past 25 years. It was originally scheduled to be released last month. However, the White House had ordered the document be withheld until Reagan and Secretary of State George Shultz met Soviet Foreign Minister Andrey Gromyko.

Reagan, in a letter accompanying the report, noted that the document had not been reviewed by the administration, "For its part," he said, "the administration continues to be seriously concerned about Soviet behavior with regard to compliance with arms control obligations and commitments."

"We are actively pursuing several such issues in confidential discussions with the Soviet Union and are seeking explanations, clarifications and corrective actions," Reagan said.

U.S. CONGRESS APPROVES STEEL IMPORT LEGISLATION

OW110840 Beijing XINHUA in English 0828 GMT 11 Oct 84

[Text] Washington, October 10 (XINHUA) -- The U.S. Congress has approved a legislation calling on President Ronald Reagan to reduce steel imports to 17 percent of the U.S. market and requiring the U.S. steel industry to modernize their plants, according to a United Press International report this afternoon.

The legislation was part of an omnibus trade bill that also includes provisions concerning wine and shoe-making industries and import of copper and other raw materials. It cleared the House late Tuesday and was later passed by the Senate. President Reagan is expected to give his endorsement.

Under the legislation, the U.S. steelmakers would have to show that the money they gained from import relief has been used to modernize their facilities before they can continually be eligible to the import relief program. And that they have to devote one percent of their net cash flow to restraining those workers they have laid off.

The legislation would give President Reagan full authority to enforce "voluntary" agreements with foreign steelmakers to limit their export to the U.S.

The import relief program, sponsored by President Reagan last month, has received guarded approval from officials at the world steel industry's annual convention which opened in Chicago on October 8.

Steelmakers from Japan, Europe and Canada praised Reagan's plan because they could maintain their shares in the U.S. market. However, steel-makers from new steel exporters such as Brazil, Spain and South Korea expressed anxiety about the plan because it is their growing share in the U.S. steel markets that will be curtailed.

The Reagan plan is aimed at limiting imports of finished steel to 18.5 percent of the U.S. market from the current level of 25 percent.

"I think it's a pity that while the United States usually defends free trade, now it seeks to close its borders to some steel," a steel executive from a Spanish concern was quoted by THE NEW YORK TIMES (on October 8) as complaining.

Donald H. Trautlein, chairman of the Bethlehem Steel Corporation and also of the American Iron and Steel Institute, predicted that the Reagan plan would increase the U.S. market price of steel by 5 percent in the next year.

#### KANG SHIEN DISCUSSES OIL WITH U.S. DELEGATION

HK100504 Beijing CHINA DAILY in English 10 Oct 84 p 2

[By staff reporter Xu Yuanchao]

[Text] China is considering opening onshore areas so that foreign firms can join searches for oil, Kang Shien, a state councillor, told a delegation of the Chevron Corporation of the United States.

Kang stressed that such a move would be different from the cooperation now going on in offshore oil as China would provide most of the technical services. Meanwhile, he added, China would try to increase production in its oilfields. The offshore oil industry was opened to the outside world in 1978 at least one year earlier than other industries. This has proved beneficial to China and its foreign partner. The government is now preparing for second-round bidding, Kang said.

"We still have to improve our work in some aspect," Kang said. Some local authorities want the government to protect them from foreign competition, he said, but this would mean "sheltering backwardness." Preferential treatment should be given to those companies able to compete with foreign firms.

"For 30 years, we worked to develop oil resources only on land. Our big problem is a lack of experts," he said.

John Grey, president of Chevron, said his company had years of experience in increasing the oil extraction rate. He expressed his company's interest in jointly developing China's onshore oil resources. He hoped a model contract could be worked out providing mutual benefit.

#### U.S. COMPANIES BEGIN SEABED OIL SURVEY

OW092019 Beijing XINHUA in English 1511 GMT 9 Oct 84

[Text] Shanghai, October 9 (XINHUA) -- Companies from China and the United States today began an oil survey in a contracted zone in the South Yellow Sea.

The joint survey by the Chinese Nanhuanghai (South Yellow Sea) Petroleum Corporation and the U.S. Chevron Petroleum Overseas Ltd. and Texaco Orient Petroleum Company is being carried out about 300 kilometers north of Shanghai, with the aim of finding the best drilling locations. Drilling will begin next month, according to James Barber, general manager of the C and T Orient group. The South Yellow Sea has three Chinese-foreign contracted zones. One oil well has already been drilled by the British BP group.

JOINT VENTURE ENGINEERING COMPANY TO BE SET UP

## Li Peng Meets Executive

OW081829 Beijing XINHUA in English 1443 GMT 8 Oct 84

[Text] Beijing, October 8 (XINHUA) -- Vice-Premier Li Peng met here today with Davis S. Tappan, chairman of Fluor Engineering, Inc. of the United States, and his party.

The Chinese vice-premier told the American guests that China's oil production this year was better than expected, and to satisfy the growing need of its people, the country would make greater efforts to boost the petro-chemical industry.

Li Peng extended his congratulations on Fluor and the China Petro-Chemical International Company (Sinopec) which had reached an agreement to establish a joint venture engineering company.

Chairman Tappan said that Fluor was enthusiastic about setting up a joint venture Sinopec and planned to make the joint venture an outstanding example.

Chen Jinhua, president of the China Petrochemical Corporation, was present on the occasion.

## Agreement Initialed

OW081834 Beijing XINHUA in English 1641 GMT 8 Oct 84

[Text] Beijing, October 8 (XINHUA) -- An agreement was initialled here this evening to establish a joint venture engineering company between the China Petro-Chemical International Company and Fluor Engineering, Inc. of the United States.

According to the agreement, the business scope of the joint venture will include: contracting for construction of petro-chemical plants both inside and outside China, technical upgrading projects of oil refineries, design and construction of new petro-chemical projects and providing the advanced and practical technical service.

The agreement says that both sides share 50 percent of the joint venture company's registered capital. The agreement stipulates that Fluor will provide the up-to-date techniques to the joint venture with favorable terms.

China Petro-Chemical International Company is now having business talks with other foreign foreign firms on establishing similar joint ventures.

## Agreement Signed

OW101405 Beijing XINHUA in English 1315 GMT 10 Oct 84

[Text] Beijing, October 10 (XINHUA) -- An agreement on establishing a joint venture engineering corporation was signed here this afternoon between the China Foreign Non-ferrous Metal Engineering and Construction Co. and the Fluor Engineering Inc. of the United States.

The joint venture will contract for domestic and foreign non-ferrous metal and other projects, including designing and constructing non-ferrous metal mines, ore dressing, smelting and refining, transportation and other auxiliary projects. It will also provide services in improving management and technology.

FANG YI MEETS U.S. OFFICIAL IN BEIJING

OW101836 Beijing XINHUA in English 1650 GMT 10 Oct 84

[Text] Beijing, October 10 (XINHUA) -- Chinese State Councillor Fang Yi met Dr. John H. Gibbons, director of the Office of Technology Assessment under the U.S. Congress, here today.

FANG YI MEETS WITH U.S. SCIENCE ADVISER

OW081911 Beijing XINHUA in English 1639 GMT 8 Oct 84

[Text] Beijing, October 8 (XINHUA) -- Chinese State Councillor Fang Yi tonight met Dr. George Keyworth, science advisor to the U.S. President and co-chairman of the Sino-U.S. Joint Commission on Scientific and Technological Co-operation.

They both expressed satisfaction with the recent growth of co-operation between the two countries, and said they wished to see science and technology links further strengthened.

Also present was Song Jian, minister-in-charge of the State Science and Technology Commission, who is a fellow co-chairman of the Sino-U.S. Joint Commission.

Dr. Keyworth arrived in Beijing on Saturday at the invitation of the State Science and Technology Commission. He and Song attended the opening ceremony of the Sino-U.S. space science experts group meeting here earlier today.

PRC-U.S. JOINT PHYSICS COMMITTEE MEETING OPENS

OW071040 Beijing XINHUA in English 1633 GMT 7 Oct 84

[Text] Beijing, October 7 (XINHUA) -- The fifth meeting of the Sino-U.S. Joint Committee on High Energy Physics opened here this afternoon.

During the three-day meeting, Chinese and American scientists will study the results of cooperation in the 1983-1984 period and discuss future plans for 1984-1985.

The U.S. delegation to the meeting is led by J. Leiss. The Chinese delegation is led by Gu Yu.

Fang Yi at Accord Signing

OW091424 Beijing XINHUA in English 1319 GMT 9 Oct 84

[Text] Beijing, October 9 (XINHUA) -- A Sino-U.S. cooperative program for high energy physics (1984-1985) was signed here today.

Chinese State Councillor Fang Yi attended the signing ceremony. Gu Yu. and J. Leiss, the co-chairman of the Sino-U.S. Joint Committee on High Energy Physics, signed the program.

According to the program, the Chinese side will send scientists to the U.S. to study the manufacture and testing of relevant parts accelerators and detectors as well as to purchase components and elements concerned. The American side will dispatch experts to China to help solve the technical problems arising from the construction of the Beijing electron-positron collider.

Prior to the ceremony Fang Yi met the U.S. scientists who attended the fifth meeting of the Sino-U.S. Joint Committee on High Energy Physics and had a cordial conversation with them. Present on the occasion was professor Lu Jiaxi, president of the Chinese Academy of Sciences.

ZHANG AIPING MEETS STANFORD PROFESSOR 8 OCT

OW081150 Beijing XINHUA in English 1133 GMT 8 Oct 84

[Text] Beijing, October 8 (XINHUA) -- Zhang Aiping, state councillor and minister of national defense, met and had a cordial conversation here this afternoon with Dr. John Lewis, director of the Center for International Security and Arms Control of the Stanford University of the United States of America, and his party.

B E I J I N G R U S S I A M O N P R C - U S S R A M I T Y G R O U P R E C E P T I O N

OW110133 Beijing in Russian to the USSR 1800 GMT 6 Oct 84

[Text] Dear Soviet radio listeners: The 35th anniversary of the establishment of the Sino-Soviet Friendship Association was marked on 5 October. That night the Chinese People's Association for Friendship With Foreign Countries and the Sino-Soviet Friendship Association held a reception. We will now bring you a report on this reception from our radio correspondent:

The hall of the Chinese People's Association for Friendship With Foreign Countries was festively decorated and full of holiday spirit. High up in the hall was a banner with large characters reading: Warmly mark the 35th anniversary of the establishment of the Sino-Soviet Friendship Association. In the back stood a bust of Lenin, the great revolutionary teacher. It was presented as a gift by the USSR-China Friendship Society to the Sino-Soviet Friendship Association in connection with its 35th anniversary.

Around the hall photographs were on display capturing the friendly activities of the Sino-Soviet Friendship Association since its founding and visits between delegations of the friendship organizations and cultural collectives of both countries.

The reception was conducted for Friendship With Foreign Countries. First of all, he warmly welcomed the delegation of the Union of Soviet Societies for Friendship and Cultural Relations With Foreign Countries and the USSR-China Friendship Society headed by Tikhvinskiy, first deputy chairman of the society's central board, which arrived in Beijing especially to take part in celebrations on the occasion of the 35th anniversary of the establishment of the Sino-Soviet Friendship Association. He warmly welcomed Shcherbakov, USSR ambassador to the PRC, and his wife, friends from the Soviet Embassy in China, and representatives of Soviet students studying in China.

To stormy applause, Qu Wu, president of the Sino-Soviet Friendship Association, made a speech. [Brief Qu Wu recording in Chinese fading into Russian translation by announcer] The Sino-Soviet Friendship Association was the first people's friendship organization with a foreign country established after the founding of the PRC, a fact of which we were and are invariably proud. Traditional revolutionary friendship exists between the Chinese and Soviet peoples which has been carefully nurtured by them over a long period of time. As early as the Great October Revolution period, many Chinese workers joined the Red Army forces of the Soviet Union and fought shoulder to shoulder with their Soviet Comrades. After the victory of the Great October Socialist Revolution, a struggle was waged against the White Guards. Many Chinese worker-soldiers perished on Soviet soil in the name of victory of Soviet power and in its defense. The Chinese people are proud of this up to this day.

In the same way, during the period of the Chinese people's struggle for national independence and liberation and in the bloody war against the Japanese imperialists, fighters of the Soviet Red Army, after traveling a long way, arrived in our country and fought together with the fighters and people of our country. Many Soviet fighters spilled the last drop of their blood in the name of liberating China and went to eternal rest on Chinese territory. The Chinese people will always revere the memory of these fallen Soviet heroes. During the period of peaceful construction, the peoples of our two countries supported one another, helped each other, and learned from one another.

Qu Wu, president of the Sino-Soviet Friendship Association said:

During the 35 years, our party and state invariably taught the people to diligently defend and develop the traditional friendship with the Soviet people. This is precisely the guiding idea and principle of the Sino-Soviet Friendship Association in its work. As Hu Yaobang put it so well, long-standing friendship exists between the Chinese and Soviet peoples. We will defend and develop this friendship in every way possible regardless of how Chinese-Soviet interstate relations turn out. Comrade Zhao Ziyang also said that we sincerely wish for normalization of Chinese-Soviet relations and are ready to develop exchanges in the economic, technological, and cultural fields with the Soviet Union. Peace and agreement between great powers like China and the Soviet Union not only meet the vital interests and common aspirations of the peoples of both countries but also serve the cause of peace in Asia and the entire world.

Qu Wu, president of the Sino-Soviet Friendship Association said: We are glad to see that in the last few years there have been growing contacts between the people of China and the Soviet Union, and the cooperation between the friendship organizations of the two countries is growing daily. In conclusion, Qu Wu sincerely wished that the friendship between the peoples of China and the Soviet Union, like the Chang Jiang and Volga River, will live forever.

Tikhvinskiy, first deputy chairman of the Central Board of the Soviet-Chinese Friendship Society, also spoke at the reception. [Begin Tikhvinskiy recording] First of all, allow me, on behalf of the Central Board of the Soviet-Chinese Friendship Society and its large number of activists, and on behalf of all the Soviet people, to warmly and sincerely congratulate the leaders, members of the board, and activists of the Sino-Soviet association. [end recording]

He also said: The normalization of Soviet-Chinese interstate relations and the development of cooperation between the two states not only meet the vital interests and aspirations of the people of the two countries but also meet the interests of the cause of peace and socialism in the entire world. Tikhvinskiy stated that the USSR-China Friendship Society will make every effort toward the development and strengthening of friendship between the Soviet Union and the Chinese people, its great neighbor.

At the reception, Tikhvinskiy also read the message of greetings from the Presidium of the Union of Soviet Societies for Friendship and Cultural Relations With Foreign Countries and the Central Board of the USSR-China Friendship Society on the occasion of the 35th anniversary of the establishment of the Sino-Soviet Friendship Association.

Beijing artists gave performances at the reception.

#### BEIJING RUSSIAN ON SINO-SOVIET RELATIONS

OW101301 Beijing in Russian to the USSR 1800 GMT 4 Oct 84

[From the "International Affairs" program]

[Text] Dear Soviet radio listeners: We now begin our "International Affairs" program. On our desk we have several letters from Soviet radio listeners. They express the wish that in our broadcasts we report on relations between our two neighboring countries. Let us first read excerpts from these letters.

Poruchayeva, in Amur Oblast, writes: I listen to your broadcast fairly often. I am interested in everything about China. I live not too far from the Soviet-Chinese border, and naturally I am not indifferent to the development of Soviet-Chinese relations. I want so much for our countries to achieve complete mutual understanding.

Shchustein, in Rostov Oblast, writes the following in his letter: We have learned to define solar eclipses, but what kind of eclipse do we have between the Soviet Union and China? Who is responsible for it and when will it end?

Oh, we still have many letters from Moscow, Minsk, Dagestan, the Ukraine. The authors of some of these letters remember the years of friendship between the people of China and the Soviet Union and wish to continue to live in friendship with the Chinese people. Others have expressed a wish to learn more about everything in today's China. Thirdly, they have expressed a sincere wish for an improvement in Sino-Soviet relations.

In our "International Life" program today, we will have our radio commentator Comrade Khung Bo tell you about Sino-Soviet relations. [Begin Khung Bo recording] The Chinese and Soviet people have established between them deep friendship in the course of their exhausting revolutionary struggle and of construction. Their relations had been close, and we keep in our memory wonderful recollections of the years of Sino-Soviet friendship. Later on, these relations were disrupted on the whole. Despite this fact, the Chinese people still have feelings of friendship for the Soviet people and cherish the friendship between the people of the two countries.

The Chinese Government has made and is making untiring efforts to improve and normalize bilateral relations. [end recording]

You have spoken correctly about this, and this has been repeatedly reported to our radio listeners by Beijing radio in its Russian language broadcasts.

In October 1982, following the initiative of the Chinese Government and after joint consultations, special representatives of China and the Soviet Union began consultations in Beijing on the issue of normalization of relations between the two countries. So far, there have been four rounds of consultations. The fifth round will be held in Beijing in October this year.

During the last 2 years, the relations and links between China and the Soviet Union have been restored and developed in many fields. The volume of trade between the two countries, for example, will reach 1.2 billion U.S. dollars in 1984. That is 60 percent more than last year.

During the 1984-85 schoolyear, the Chinese and the Soviet sides exchanged 70 students. Relations are constantly increasing also in the fields of science, technology, sports, physical culture, health, and culture.

This year a Chinese medical and health delegation, well-known Chinese symphony orchestra conductor Li Dulong, and composer Ju Tian Er, delegations of Chinese film workers, singers, a Chinese women's volleyball team, and teams of gymnasts, track athletes, and young fencers from China visited the Soviet Union or took part in competitions there. A Soviet delegation connected with the organization of a pavilion at the international medical equipment exhibition, Soviet geologists, a women's combined basketball team, and teams of gymnasts and archers from the Soviet Union also visited China. Very recently a group of art masters from the Soviet Union arrived in our country on a performance tour. This was the first art group sent by the Soviet Union to China since 1965.

Sino-Soviet relations have been developed in other fields. In addition, the Soviet Union has been visited also by a delegation of the Chinese People's Association for Friendship With Foreign Countries led by Wang Bingnan, chairman of the association. The PRC-USSR Friendship Association and the USSR-China Friendship Society have also reestablished relations among themselves and effected exchange visits by their delegations and exchanges of special tourist groups.

[Begin Khung Bo recording] Dear Soviet radio listeners: Exchanges of nongovernmental delegations have led to an improvement in mutual understanding between our two sides. Many Soviet friends have seen for themselves the changes which have occurred in China during the last few years, and sensed the feelings of friendship of the Chinese people for the Soviet people. In exactly the same manner, Chinese comrades have also seen in the Soviet Union the new achievements made by your country in the fields of science, technology, culture, and education, and have taken back with them the greetings of the Soviet people. In exactly the same manner, Chinese comrades have also seen in the Soviet Union the new achievements made by your country in the fields of science, technology, culture, and education, and have taken back with them the greetings of the Soviet people.

We are sure that in future these friendly relations will increase from year to year and will without doubt play a positive role in improving the friendship between the two peoples and in achieving the normalization of relations between the two countries.  
[end recording]

Comrade Khung Bo, I have just read the letter from a radio listener in Rostov Oblast. He asks what kind of eclipse there is between the Soviet Union and China and I ask you to answer his question.

[Begin Khung Bo recording] China pursues an independent foreign policy, its own foreign policy, and wishes to maintain and develop relations with all countries, including, of course, the Soviet Union, on the basis of the Five Principles of Peaceful Coexistence. The Chinese side has repeatedly declared its sincere desire for the improvement and normalization of Chinese-Soviet relations because it believes that peaceful coexistence between these two major powers, China and the Soviet Union, not only meets the fundamental interests and general aspirations of the peoples of both countries, but also contributes to the cause of peace in Asia and the entire world.

The Soviet side has declared that it aspires to the same. But facts have shown that there are serious differences on the issue of achieving normalization of relations between China and the Soviet Union. The Soviet Union continues to station large contingents of troops on the Soviet-Chinese border and in Mongolia, supports Vietnam's aggression against Kampuchea and its provocations against China, and is using military force to occupy Afghanistan, China's neighbor. We have told the Soviet side that all these issues present a serious threat to the security of China and create a triple obstacle to normalization of Chinese-Soviet relations.

Since the Soviet side has expressed its readiness to improve bilateral relations, it must take practical steps to eliminate these obstacles. However, the Soviet side refuses to do so under the pretext that it cannot harm a third country's interests.

As for unsolved problems left over from history between China and the Soviet Union, it should not be difficult to distinguish truth from untruth, and should not be difficult to solve these problems in an appropriate manner, after the normalization of bilateral relations, if only both countries calmly conduct discussions, proceeding from historical facts.

A good example of this is the fact that China has jointly solved border problems with most neighboring states. Very recently the Governments of China and Mongolia completed a joint inspection of the Chinese-Mongolian border and signed an appropriate protocol. In a word, I think that if China and the Soviet Union show a sincere desire and take action, then the process of normalization of bilateral relations will be accelerated.  
[end recording]

Thank you Comrade Khung Bo. But we do not know whether this answer will satisfy our radio listener in Rostov Oblast, Shchustin.

Dear Soviet radio listeners, recently, Chen Suyun, our radio editor, visited the Soviet Union as a member of a special tourist group of activists of the Chinese People's Association for Friendship With Foreign Countries and the PRC-USSR Friendship Association. We shall now ask her to talk to you. Comrade Chen Suyun, please come to the microphone.

[Begin Chen Suyun recording] Dear Soviet radio listeners, I had the great honor to visit your country as a member of a special tourist group.

Hu Yaobang, general secretary of the CPC Central Committee, said there has been a long friendship between the peoples of China and the Soviet Union, and we shall uphold and develop this friendship in every way, irrespective of the situation in Chinese-Soviet intergovernmental relations. It was in this spirit that we expressed to the Soviet people the Chinese people's feelings of friendship and conveyed to them our sincere greetings. We visited Moscow, Leningrad, Kiev, Alma-Ata, and many other places. Wherever we went, we were greeted by smiling faces. Together with the Soviet friends, we sang and danced happily, and deep in our hearts our common voice said peace and friendship. In Leningrad, a Sinologist said it well: Relations lead to mutual understanding, and common mutual understanding to a common language and friendship.

I, as an editor of Radio Beijing, as well as all the other comrades, have persistently worked and continue to work for cooperation, mutual understanding, and friendship between the people of our two countries.

Dear Soviet Radio listeners, I would like to tell you that on television and radio our people often watch and listen to programs dealing with the Soviet people's construction and life. Among these programs was a color documentary film "The Russian Winter," a color art film "And the Meetings Here Are Calm," songs and tunes performed by a Red-Banner-bearing Soviet Army song and dance ensemble, the radio play "The Young Guard," based on the novel of the same name by Fadeyev, and so forth. Our Russian language broadcasts include the new features "Page of Friendship" and "For Sinologists." Wonderful recollections and warm words again and again show that the friendship between the people of China and the Soviet Union has established deep roots among the people of our two countries.

We have just celebrated the 35th anniversary of the founding of the PRC on 1 October. Five October is an important day in the history of the Sino-Soviet Friendship Association. Anniversary activities are being organized in Beijing on this connection. The normalization of relations between China and the Soviet Union is the common aspiration of the people of our two countries. And for the realization of this aspiration, I am ready to make the maximum effort. [end recording]

Comrade Chen Suyun expressed the wishes of all the comrades of the Russian editorial board of Radio Beijing. And in truth, we all sincerely wish a further improvement of Sino-Soviet relations and their most rapid normalization.

QU WU MEETS SOVIET AMITY ASSOCIATION GROUP 11 OCT

OW111230 Beijing XINHUA in English 1216 GMT 11 Oct 84

[Text] Beijing, October 11 (XINHUA) -- Qu Wu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met a Soviet delegation from the Union of Societies for Friendship and Cultural Relations With Foreign Countries and the Soviet-China Friendship Association here today. The delegation is led by Sergey Leonidovich Tikhvinsky, vice-chairman of the Soviet-China Friendship Association. Qu Wu is also president of the China-Soviet Friendship Association.

DENG XIAOPING MEETS WITH JAPANESE KOMEITO LEADER

Warns U.S. on Taiwan

OW111105 Tokyo KYODO in English 1101 GMT 11 Oct 84

[Text] Beijing, Oct. 11 KYODO -- China's senior leader Deng Xiaoping Thursday strongly warned the United States over the Taiwan issue, saying if the question is mishandled, serious trouble might erupt between China and the United States. He said China has made no promise to the Americans that it would never take non-peaceful action for reunifying Taiwan to the China mainland. The U.S. attempted to get China to agree that China would not take armed action for the reunification, but China has not bowed to the U.S. attempt, Deng said.

As long as the obstacle of the Taiwan issue remained, there would be no end to the ill feeling between the one billion Chinese people and the U.S., Deng said. Deng issued the warning to the U.S. during his meeting with a delegation of the Japanese opposition party Komeito, led by Chairman Yoshikatsu Takeiri.

While voicing the warning, Deng particularly referred to his talks here with U.S. Defense Secretary Caspar Weinberger in September last year. Deng told Weinberger China may not have power enough to advance and occupy Taiwan by force, but that China has power enough to blockade the Straits of Taiwan, Deng told the Japanese group.

This was the first time recently that Deng made a warning to the Americans over the Taiwan problem in such strong words. His warning followed the settlement in principle of the Hong Kong problem with the Sino-British joint declaration initialed here last month. Thus, his warning could be taken as a tactical check toward the Americans against possible anti-China American "obstacles," including U.S. arms sales to Taiwan and political support to the Taiwanese based on the U.S.-Taiwan Relations Act.

Though China has pledged it would not take reckless action on the Taiwan issue, his warning, which clarified the Chinese right not to forego armed action and hinted at the possibility of a "Straits blockade," could become a big point of dispute between Beijing and Washington. The warning may also stiffen the attitude of the Taiwanese authorities.

Regarding the Korean question, Deng told the Japanese visitors China does not completely support some of the ways that North Korea has taken -- also an unusual remark by a Chinese leader, though the Chinese leadership maintains a friendly policy toward North Korea. Some analysts speculated this remark by Deng may have referred to the Rangoon bomb attack last year, which killed 17 South Koreans, including four Cabinet ministers. The Burmese Government blamed North Korea for the bomb attack and severed diplomatic relations with Pyongyang. Deng's statement was the first acknowledgement of some disagreement with North Korea.

Deng also mentioned the U.S.-proposed Korean talks among the two Koreas, China and the United States and another idea for a six-party conference among the two Koreas, China, the U.S., the Soviet Union, and Japan. But Deng clearly opposed such ideas, saying neither China nor Japan and the Soviet Union are parties concerned. The United States is a party concerned and Japan and the Soviet Union should not be involved in the matter, Deng said. Deng endorsed as reasonable the North Korea-proposed talks with South Korea and the U.S. and the "one state, two systems" formula in the Pyongyang-proposed establishment of a Democratic Confederal Republic of Koryo.

On Sino-Soviet relations, Deng said Soviet policy toward China was a continuation of that pursued in Czarist years and will not change easily. Deng, however, said China's invitation to Ivan V. Arkhipov, first Soviet vice premier, still stands. If a China visit by the Soviet vice premier materializes, it would enhance bilateral diplomacy in a true sense, Deng said.

Arkhipov had been scheduled to visit China last May at the invitation of China, but his visit was canceled.

Deng also mentioned the fifth round of Sino-Soviet normalization talks on the foreign vice ministers' level, scheduled to be resumed in Beijing October 18. He described the talks as a kind of a regular meeting. In the main talks, China will continue to demand the removal of "three obstacles" -- the Soviet military presence in Afghanistan, Soviet support of the Vietnamese troop dispatch to Kampuchea and the Soviet troops deployed along the Sino-Soviet border, Deng said. The Soviet side will probably continue to reject the Chinese demand in the talks because the Soviets object to taking up problems of third nations, Deng said.

#### Further Coverage

OW111142 Beijing XINHUA in English 1125 GMT 11 Oct 84

[Text] Beijing, October 11 (XINHUA) -- Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party, said here today that China's policy of opening to the outside world would not be changed in this century or the first half of the 21st century. In a meeting here this evening with a delegation from the Komei Party of Japan led by Chairman Yoshikatsu Takeiri, Deng said that the open policy would not be changed for a long time to come. He predicted that it could hardly be changed even in the second half of the 21st century.

Asked if it was of special significance not to change such a policy in the next 50 to 70 years, Deng replied in the affirmative with a wave of his hand. "Our goal is to get fairly well-off, i.e., to achieve a national income averaging 800 U.S. dollars per capita by the end of this century," he said. "This is our high hope. What is more important is to lay foundations for still greater development of the national economy in the future."

Deng said that there were still 16 years to go before the end of this century. The Chinese people would wholeheartedly devote themselves to the country's construction, strive for a peaceful international environment, carry out international exchanges, and implement the policy of opening to the outside world in order to reach the target set for the end of this century. In the following 50 years, Deng said, China would continue to practise the open policy to fulfill a still more grand goal -- approaching the level of the developed countries in the world. "This is our real ambition," he added.

China must not close its doors up but must continue the open policy if it wanted to develop its economy, he said. "I explained this earlier to those attending a symposium on China's economic cooperation with foreign countries. I want to add that this policy will not be changed in this century and the first 50 years of the next century, and it can hardly be changed in the second 50 years. And it will be simply impossible to change it when China's economic and trade ties with other countries have developed and become closer," he said.

Deng said that China was a socialist country which adhered to the socialist road and was developing its socialist economy. Using foreign funds and establishing joint ventures with foreign funds could not possibly impair the sovereignty of socialist China, he said. On the contrary, they would only facilitate the development of its socialist economy. In another 30, 50 or 70 years, Deng said, China's socialist economy would be even more developed. By that time, the socialist sector, the principal part of the national economy, would grow in strength and be more able to stand any shock.

When Takeiri asked what would be the procedure of drawing up a basic law for Hong Kong, Deng answered that with the signing of the Sino-British joint declaration on the Hong Kong question, it would be easy to formulate the basic law. It would definitely embody the content of the joint declaration. "Our concept for solving the Hong Kong question is 'one country, two systems'. It has not only helped solve the Hong Kong question, but may also play a role in solving international disputes," he said.

Asked if the policies for solving the Taiwan question would be more liberal than those for solving the Hong Kong question, Deng said that what was meant by 'more liberal' was that Taiwan would be allowed to keep its own troops.

On Sino-Soviet relations, Deng said that there were three major obstacles to the normalization of these relations. "Unless these obstacles are removed, it would not be possible to bring about a fundamental improvement in Sino-Soviet relations," he said. "Before the fundamental issues between China and the Soviet Union are solved, they can strengthen their contacts and exchanges in other fields, including the economic and cultural fields. Both the Soviet Union and China have such a desire," he said. Deng said that Ivan Arkhipov, first vice-chairman of the Soviet Council of Ministers, had postponed his visit to China for reasons on the part of the Soviet Union. However, China's invitation was still valid, he added.

On the Korean issue, Deng said, China supported the proposal for a peaceful reunification of Korea put forward by the Democratic People's Republic of Korea. China would work for a peaceful solution to the Korean issue and favor a settlement through negotiations. Deng also answered other questions, including questions about Sino-U.S. relations, raised by Takeiri during their 90-minute meeting.

Also present were Honorary President Wang Zhen and President Xia Yan of the China-Japan Friendship Association, and Japanese Ambassador to China Yosuke Nakae.

#### RENMIN RIBAO ON ONGOING PRC-DPRK FRIENDSHIP

HK100857 Beijing RENMIN RIBAO in Chinese 6 Oct 84 p 7

[Article by Zhou Binhong: "Carry Forward Friendship From the Past and Forge Ahead Into the Future"]

[Text] In the 35 years since the establishment of diplomatic relations between the PRC and the DPRK, the people of the two countries have carried out extensive exchanges and cooperation on various fronts in the political, economic, cultural, and other areas, enabling the flower of friendship to bloom ever more gorgeously.

The exchange of visits between the leaders of the two countries has given a tremendous boost to the development of friendship between the PRC and the DPRK. During the last 35 years, President Kim Il-song has visited our country many times, building up highly valuable friendships with Chairman Mao Zedong, Premier Zhou Enlai, and many other leaders. Premier Zhou Enlai also visited Korea twice, further consolidating PRC-DPRK friendship. In recent years, the leaders of the two countries have been especially busy exchanging visits, with calls returned as if between relatives. In the spring of 1982, Comrade Deng Xiaoping and Comrade Hu Yaobang visited Korea. In September the same year, President Kim Il-song paid an official state visit to China. In June 1983, Comrade Kim Chong-il, member of the Standing Committee of the Central Committee of the Korean Workers Party and secretary of the Secretariat, visited our country.

Not long ago, Secretary General Hu Yaobang again visited Korea. These close exchanges between the two parties and the two countries have allowed the continuous consolidation and development of the ties of fraternal friendship established between the people of the two countries over a long period of common struggle to take place.

In the respective socialist construction efforts of the PRC and the DPRK, the people of the two countries have learned from each other, drawn upon each other's strong points, and supplied each others' needs, acting in close cooperation and scoring one achievement after another. Today, the Fengman hydroelectric station, jointly financed by the two countries, is transmitting electricity nonstop, day and night and producing a tremendous impact on the two countries in stimulating construction and improving the people's living standards. Activities have developed between Shanghai, China and Xianxing, [0752 5281] Korea as friendly cities supporting each other. The well-known rainbow trout of Korea have long multiplied in the many bodies of water in our country. Our gang [0474] bamboo of Hangzhou has also put down roots in the mountainous areas and flatlands of Korea. The Chinese engineering and technical personnel helping Korea in its construction efforts are fighting together with the Korean comrades at various worksites and cracking "hard nuts" in construction. The Korean comrades have cared for them in every way, making things easy for them in their life and work.

Exchanges and cooperation in the cultural field are likewise unusually extensive and marked with great achievements. In the past several decades, many fine Korean literary works, ancient and contemporary, have been translated into Chinese and published extensively. Some have also been adapted into local operas as special programs for a long run. They have been universally hailed by the Chinese people. The well-known "Treasured Book of Eastern Medicine" about Korea's Eastern medicine written in Chinese has been highly cherished by our workers of traditional Chinese medicine as an object of study. Many of our well-known literary works have also been introduced to the Korean people. Korean films have found a large audience in our country. The characters and scenes in many of these films have been discussed by people with gusto. Some of our films have also left a profound impression on Korean audiences. Every year, the two countries have sent art ensembles to visit each other on performance tours, so that the people of the two countries can enjoy the latest achievements in each other's artistic creations. The system of exchange students studying or pursuing higher education in the other country, which began in the 1950's, has all along been upheld, with more and more students becoming involved. The Korean experts invited to help with our country's work have, through their outstanding work performance, made tremendous contributions to our country's cultural construction. The sportsmen of the two countries have constantly held mutual discussions in a common effort to raise their technical or artistic levels. The journalists of the two countries have exchanged visits every year and have widely introduced the achievements and experiences of the people of the two countries in various fields through various media, thus further deepening mutual understanding and friendship between the people of the two countries.

China and Korea are friendly neighbors with mountains and streams bordering each other. The people in the borderland between the two countries are especially close to each other with frequent friendly exchanges and mutual help. The rustling Yalu Jiang water has provided a rich source of water for the common development of the two countries and their exploitation. It also stands as a symbol of the time-honored Sino-Korean friendship, with its waters surging ahead.

#### KOREAN TV CARRIES PRC NATIONAL DAY PROGRAM

OW050845 Beijing XINHUA Domestic Service in Chinese 1622 GMT 2 Oct 84

[Text] Pyongyang, 1 Oct (XINHUA) -- The Korean Central Television Station telecast a "friendship" special program this evening to mark the 35th founding anniversary of the People's Republic of China.

This was the first special program aired by the Korean Central Television Station to celebrate China's National Day. Chon Hyong-kyu, announcer of the Korean Central Television Station, and Li Juan, announcer of the Chinese Central Television Station, who had been invited to make a special trip to Korea to participate in the special program, jointly hosted the program.

The "friendship" special program includes: a televised speech by Chinese Ambassador to Korea Zong Kewen; a Chinese documentary film entitled "The Pace of China"; a song-and-dance program performed by Chinese entertainers; a Korean documentary film entitled "A Visit to A Fraternal Country, China"; and a Chinese feature film entitled "Sidu Chishui" [Fourth Crossing of Chishui River]. The "friendship" special program started at 1820 and lasted for 3 hours and 50 minutes.

#### DPRK URGES EXCHANGES BETWEEN NORTH, SOUTH

OW100835 Beijing XINHUA in English 0813 GMT 10 Oct 84

[Text] Pyongyang, October 10 (XINHUA) -- A leading newspaper stressed here today the need to realize economic and cultural exchange and reopening of sports talks between the South and North of Korea.

NODONG SINMUN in a commentary pointed out that the delivery of relief supplies to South Korean flood victims by the Red Cross Society of the Democratic People's Republic of Korea represents the first effort for exchange between the North and South for nearly 40 years. This is a good beginning for the people of the North and South of Korea to bring about unity and cooperation and realize national reunification of the country, it said.

These exchanges and cooperation, the commentary said, can strengthen national unity and do away with misunderstanding and untrust and are conducive to the creation of a climate to realize national reunification. It was reported that student union leader of the Seoul National University has of late pointed out that students in the North and South of Korea should hold talks and open sports exchange between them.

#### DPRK-AIDED CORN PROCESSING WORKSHOP OPENED

OW080924 Beijing XINHUA in English 0855 GMT 8 Oct 84

[Text] Shenyang, October 8 (XINHUA) -- China's new corn-processing workshop has gone into operation recently in Dandong City, Liaoning Province.

With technical help from Sinuiju City, in the Democratic People's Republic of Korea, the workshop turns cornflour into light yellow, translucent, and rice-like pellets, a kind of expanded and gelatinized food. It can be cooked and has a greater nutritious value than the raw material and is also more tasty. Corn is a staple food for many Chinese people.

The workshop has been jointly financed by the Ministry of Commerce and Liaoning authorities. It can process 2,000 tons of corn a year.

#### HUANG HUA MEETS JAPANESE RESEARCH GROUP

OW021314 Beijing XINHUA in English 1307 GMT 2 Oct 84

[Text] Beijing, October 2 (XINHUA) -- Huang Hua, vice-chairman of the National People's Congress Standing Committee, exchanged views on international issues here today with a delegation from the Japanese Research Institute for National Policy led by the institute's President Shinsaku Hogen.

WANG ZHEN MEETS JAPANESE FRIENDSHIP GROUP

OW070709 Beijing XINHUA in English 0657 GMT 7 Oct 84

[Text] Beijing, October 7 (XINHUA) -- Wang Zhen, member of the Political Bureau of the Central Committee of the Chinese Communist Party and honorary president of the China-Japan Friendship Association, met a delegation from the Japan-China Friendship Association of the Handa area of Japan here this morning.

The delegation is led by Kuno Chuji, vice-president of the All-Japan head office of the Japan-China Friendship Association and supreme adviser to the delegation, and Ito Koji, president of the Handa area Japan-China Friendship association and head of the delegation. It is the second delegation which has been sent by the Handa area association to China.

WANG ZHEN MEETS JAPANESE POLITICAL STUDY GROUP

OW091428 Beijing XINHUA in English 1329 GMT 9 Oct 84

[Text] Beijing, October 9 (XINHUA) -- Wang Zhen, member of the Political Bureau of the Chinese Communist Party Central Committee and honorary president of the China-Japan Friendship Association, met a Japanese study group on Chinese politics and economy led by Keigi Furuya here today. They had a friendly conversation.

GRUP TO AID PRC-JAPAN TECHNOLOGY EXCHANGES

OW051802 Beijing XINHUA in English 1631 GMT 5 Oct 84

[Text] Osaka, Japan, October 5 (XINHUA) -- A Japan-China Association of Science and Technology was established here today by Japanese industrial and academic circles. The association, composed of more than 60 eminent industrialists and academicians in Kyoto, Osaka and Kobe, is the first Japanese organization aimed at promoting scientific and technological exchange between Japan and China. It will organize personnel exchange, symposiums, and exhibitions to realize its aim. Den Kawatatsu, head of Japan-China Association on Economy and Trade in Kansai, was nominated the association's first president at its inaugural meeting, which was attended by 100 people.

YANG SHANGKUN HOSTS DINNER FOR JAPANESE GUESTS

OW091412 Beijing XINHUA in English 1317 GMT 9 Oct 84

[Text] Beijing, October 9 (XINHUA) -- Yang Shangkun, vice-chairman of the Central Military Commission of the People's Republic of China, met and gave a dinner for Hiroomi Kurisu, former chairman of the Japanese council of Joint Chiefs of Staff and his party here today. They had a friendly conversation.

HU LIJIAO TO HEAD SHANGHAI DELEGATION TO JAPAN

OW072002 Shanghai City Service in Mandarin 1100 GMT 6 Oct 84

[Text] The 11th session of the Shanghai Municipal People's Congress Standing Committee, which was held today, approved a friendship delegation of the Shanghai Municipal People's Congress Standing Committee with Chairman Hu Lijiao as leader and Vice Chairman Shi Ping as deputy leader to visit Osaka, Japan, in October. It will be the first delegation of the municipal People's Congress Standing Committee to visit a foreign city since the establishment of the Standing Committee.

FURTHER ON FRG CHANCELLOR KOHL'S VISIT

## Beijing Welcome

OW080216 Beijing XINHUA in English 0151 GMT 8 Oct 84

[Text] Beijing, October 8 (XINHUA) -- Dr Helmut Kohl, chancellor of the Federal Republic of Germany, and Mrs. Kohl were honored at a grand welcoming ceremony presided over by Chinese Premier Zhao Ziyang here this morning.

The ceremony began at 09:00 hours local time, with a military band playing the national anthems of the Federal Republic of Germany and the People's Republic of China, while a 19-gun salute was fired. In the company of Premier Zhao Ziyang, Chancellor Kohl reviewed a guard of honor made up of men of the three services of the Chinese People's Liberation Army. The Chancellor and Mrs. Kohl walked around to meet the welcoming crowd. More than 300 youngsters cheered and danced to welcome the guests.

Present on the occasion were Chen Muhua, state councillor and minister of foreign economic relations and trade; He Dongchang, chairman of the reception committee and minister of education; Zhang Jun, minister of the astronautics industry; Qian Yongchang, minister of communications; and An Zhiyuan, Chinese ambassador to the Federal Republic of Germany. Also present were Chancellor Kohl's visiting party, and Guenther Schoedel, ambassador of the Federal Republic of Germany to China.

## News Conference

OW101608 Beijing XINHUA in English 1453 GMT 10 Oct 84

[Text] Beijing, October 10 (XINHUA) -- Helmut Kohl, chancellor of the Federal Republic of Germany, said here today he was looking ahead to the future of German-Chinese relations with great expectation and full of confidence. "My visit is meant to give a signal for even closer cooperation between our two countries in future," Kohl said at a press conference in the Great Hall of the People here this afternoon.

During the visit, he said, he was given an opportunity to meet with prominent members of China's leadership. "These intensive and very fruitful talks covered all subjects of importance to our two countries," he added. Kohl said that the Chinese leaders with whom he talked impressed him with their "farsightedness and their sense of reality". In all the talks the Chinese leaders left no doubt about their resolve to make their policy of opening and modernising China irreversible.

The chancellor noted that the capabilities, needs and possibilities of the Federal Republic of Germany and the People's Republic of China were mutually complementary, especially in the economic, technological, scientific and cultural fields. On the basis of these excellent conditions both countries were striving for stable and long-term cooperation, which should enable either side fully to use its capabilities and its special qualities in a way which was mutually beneficial.

Kohl said that the FRG would begin financial cooperation with China. "This would not be at the expense of third countries," he stressed. Kohl added that economic cooperation had been given an important impetus by the recently concluded agreement on the protection of investments. He also said that he agreed with the Chinese premier on concluding an agreement on the avoidance of double taxation in the interests of German-Chinese economic cooperation.

Furthermore, Kohl said, his talks with Premier Zhao Ziyang had given important impulses to the contacts and negotiations between individual firms and cooperation on a number of major projects which are under discussion. Referring to the Chinese-German cooperation in constructing nuclear power stations, Kohl said the Federal Republic of Germany could produce high-quality nuclear power stations, so in this field China would become a good partner of cooperation with the Federal Republic of Germany.

He said both sides wished to increase gradually the number of their students studying in the other country, and make efforts to promote the teaching of the other country's language in their own country, and to cooperate to enable a German language course to be televised on Chinese television.

#### Attends Volkswagen Signing

OW101919 Beijing XINHUA in English 1443 GMT 10 Oct 84

[Text] Beijing, October 10 (XINHUA) -- A contract on the joint production of Volkswagen Santanas in Shanghai was signed between China's relevant enterprises and the Volkswagenwerk of the Federal Republic of Germany here tonight. Chinese Premier Zhao Ziyang and F.R.G. Chancellor Helmut Kohl attended the signing ceremony.

Also signed tonight were an agreement on inland navigation cooperation and exchanges of notes on six technical cooperation projects.

#### Hosts Return Banquet

OW101714 Beijing XINHUA in English 1632 GMT 10 Oct 84

[Text] Beijing, October 10 (XINHUA) -- The continuing development of friendship and co-operation between China and the Federal Republic of Germany would "certainly contribute" to world peace and stability, Chinese Premier Zhao Ziyang said here tonight.

Proposing a toast at a return banquet Given by Chancellor Helmut Kohl at the Great Hall of the People, Zhao said: "I believe that the significance of consistent development of friendship and cooperation between China, the biggest developing country, and the FRG, one of the most developed countries in the world, will far exceed the relations of these two countries. It will certainly contribute to world peace and stability."

In his toast, Kohl said that he wanted his visit to be a signal that friendship and co-operation between the FRG and China would deepen and become closer. He said: "Some agreements on economic co-operation between our two countries have now been reached, while co-operation in other fields are under discussion. I believe fruitful results will be achieved soon."

The chancellor said that while in Beijing University today, where he made a speech, he had been deeply impressed by Chinese young people. "They are full of vitality and cherish high aspirations," he added.

In reply, Zhao said that broad unanimity on a series of important issues had been reached between Chancellor Kohl and Chinese leaders during the past three days, while important achievements had been scored in economic and technological cooperation. "I would like to extend warm congratulations to Chancellor Kohl for his successful visit," he said.

Zhao also thanked the chancellor for inviting him to pay a visit to the Federal Republic of Germany.

He said: "I am looking forward to meeting Your Excellency in your beautiful country at an appropriate time next year." Also attending the banquet were Rong Yiren, vice-chairman of the National People's Congress Standing Committee, and State Councillors Chen Muhua and Wu Xueqian.

#### Leaves for Xian

OW110222 Beijing XINHUA in English 0213 GMT 11 Oct 84

[Text] Beijing, October 11 (XINHUA) -- Chancellor Helmut Kohl of the Federal Republic of Germany, Mrs. Kohl and their party left here this morning for a visit to Xian, Wuhan and Shanghai. Chinese Minister of Education He Dongchang and Vice-Minister of Foreign Affairs Zhou Nan accompanied the chancellor on his visit.

Before their departure, Chinese Premier Zhao Ziyang went to the guesthouse to bid farewell to the chancellor and his wife. Zhao told the chancellor that although his visit to Beijing had been short, fruitful results had been achieved. Kohl replied that these were the results of their common efforts. Zhao said that the visit by the chancellor had not only pushed the friendly cooperation between the two countries forward, but also put such a cooperation on a long-term and reliable basis.

#### HANDELSBLATT Interview

OW090835 Beijing XINHUA in English 0642 GMT 9 Oct 84

[Text] Bonn, October 8 (XINHUA) -- Chancellor Helmut Kohl, in an article published by the HANDELSBLATT today, highly praised China's policy of opening to the outside world and expressed his confidence in the development of Sino-Federal German economic, technical and cultural relations. Entitled "Opening Program Is an Example of Constructive Policy," the article said, "My visit to China will help promote the continuous development of the friendly and increasingly closer cooperation between the two countries. Differing viewpoints on basic issues such as economic and political systems cannot prevent us from cooperating well with each other."

Kohl said, "We have similar or almost identical views on many important issues. We all endorse a positive policy for peace and insist on the right of the people of various countries to self-determination. We are deeply convinced that political, economic and cultural cooperation among the people of all countries, including the peoples of Federal Germany and China, is an important contribution to the safeguarding of peace."

He said China's policy of opening to the outside world "has not only mobilized its own strength to revitalize the economy but also sought and promoted its cooperation with industrialized countries." He said the volume of bilateral trade totalled 4.7 billion marks (roughly 1.6 billion U.S. dollars) last year, 25 percent up from that of 1982 and it was increased by 11.5 percent in the first half of this year as against the same period of 1983. However, Kohl said, the current trade volume is not compatible with the enormous economic potentials of the two countries. This shows that there is much room for trade development, particularly in the high-tech field, he said.

He expressed the belief that his visit and visits of businesses' leaders to China will deepen and expand the economic, technical and cultural cooperation between the two countries. In conclusion, Kohl said, "There is a lot of work to do from language learning to mutual understanding and further deepening of the understanding. In whatever sense, the German and Chinese people are promising partners."

FURTHER ON VISIT OF SWISS PARLIAMENT GROUP

## Geneva Departure

OW052020 Beijing XINHUA in English 2003 GMT 5 Oct 84

[Text] Geneva, October 5 (XINHUA) -- A delegation of the Swiss Parliament led by Andre Gautier, president of the National Council, left here today for a visit to China at the invitation of the Chinese National People's Congress.

Before his departure, Gautier said in an interview with XINHUA that "Switzerland was one of the countries that established diplomatic relations with the People's Republic of China more than 30 years ago" and since then "Sino-Swiss relations have developed satisfactorily." He said that although the two countries are very different in their size, history, economic and social systems, "very sincere friendship and a profound comprehension have developed between the two peoples." "We should continue to strengthen our ties pragmatically and constantly as we have done during the past 30 years, and notably during the past 10 years."

Gautier hoped that the dialogue and cooperation between the two countries would extend to other fields of common interest in addition to economy. On international issues, he said that "There is no doubt that we are living in a period of tension and danger." "China and Switzerland can effectively collaborate in the interest of detente and peace."

## Meets Peng Zhen

OW061916 Beijing XINHUA in English 1838 GMT 6 Oct 84

[Text] Beijing, October 6 (XINHUA) -- Peng Zhen, chairman of the National People's Congress Standing Committee, said here today that the most important task for China at present was to achieve socialist modernization of the country.

In a meeting here this evening with a delegation from the Swiss Parliament led by Andre Gautier, president of the National Council, Peng said that to realize such a goal, China needed a peaceful international environment. China's foreign policy was aimed at safeguarding world peace. Switzerland, a permanently neutral state, also wanted world peace. Peoples of the two countries should unite with all peace-loving countries and peoples, including peoples of the two superpowers, to safeguard world peace.

Besides, Peng said China also needed to develop economic cooperation with other countries. China was still backward economically, but it was a big country with a large population and abundant resources offering a large market. With its people getting more prosperous, Chinese market would be further expanded. He said that there were broad prospects for economic cooperation between the two countries on the basis of equality and mutual benefit. China's policy of opening to the outside world had been written into the Constitution. The interests of foreign investors in China would be fully protected by the law.

Gautier said that for centuries, Switzerland followed a neutral policy. Though a small country, Switzerland tried its best to persuade the two superpowers to solve their disputes through peaceful means. It would be difficult to safeguard world peace if there remained too large a gap between countries economically.

He expressed the hope that China and other developing countries would greatly improve their economies.

He said he had no doubt about the future of China's economic development. Gautier said that Switzerland hoped to strengthen its economic cooperation and expand trade with China, because foreign trade was vital to his country.

The two sides also touched on the recently-initiated Sino-British joint declaration on the Hong Kong question. Gautier said that China and Britain had set an example for other countries in solving international disputes. When the joint declaration was ratified, foreign investors would increase their confidence in China.

Present at the meeting were Liao Hansheng, vice-chairman of the N.P.C. Standing Committee, and Hans Muller, Swiss ambassador to China. The delegation came here earlier today at the invitation of the N.P.C. Standing Committee. This is the first Swiss parliamentary delegation to visit China. The delegation was greeted at the airport by Liao Hansheng.

#### NPC Hosts Banquet

OW061744 Beijing XINHUA in English 1637 GMT 6 Oct 84

[Text] Beijing, October 6 (XINHUA) -- The National People's Congress Standing Committee held a banquet here this evening to welcome a delegation from the Swiss Parliament led by Andre Guatier, president of the National Council.

Speaking at the banquet, Liao Hansheng, vice-chairman of the N.P.C. Standing Committee, said that in the 34 years since the establishment of Sino-Swiss diplomatic relations, the development of friendly cooperation between the two countries demonstrated that there was no direct conflict of interests between the two countries despite their different social systems. "We have many common points on opposing hegemonism and safeguarding state sovereignty and world peace," he said.

Liao said that China sincerely hoped that world peace would be safeguarded and was truly willing to develop relations with other countries on the basis of the Five Principles of Peaceful Coexistence. The Chinese people, together with the people in Europe and other parts of the world, would work tirelessly for the relaxation of international tension, halting the arms race and prevention of a nuclear war.

Gautier recalled the cooperation and friendship between the two countries and peoples in the past 34 years. He said that China's economic reform and policy of opening to the outside world in recent years had aroused a great interest among the Swiss people. On the Swiss foreign policy, Gautier said that the Switzerland's policy of neutrality was recognized by the world community as a great contribution to establishing a more peaceful and just world. Switzerland believed that harmony between countries could be realized only through respecting and safeguarding international law.

Among those present at the banquet were Wang Hanbin, secretary general of the N.P.C. Standing Committee, and Hans Muller, Swiss ambassador to China.

#### Meets Liao Hansheng

OW071144 Beijing XINHUA in English 1130 GMT 7 Oct 84

[Text] Beijing, October 7 (XINHUA) -- Liao Hansheng, vice-chairman of the National People's Congress Standing Committee, held talks here this morning with a visiting delegation from the Swiss Parliament led by Andre Gautier, president of the National Council. In a friendly atmosphere, the two sides exchanged international issues of mutual concern and bilateral relations.

Liao briefed the guests on China's policy of bringing into play the initiative of both central and local levels under the unified leadership of the central authorities and invigorating the domestic economy and opening to the outside world. He said that China was striving to achieve socialist modernization and to improve the cultural and material conditions of its people. Therefore, China wanted a peaceful international environment. "We are resolved to unite with all peace-loving countries and peoples in safeguarding world peace," he said, adding that China and Switzerland held identical views on safeguarding world peace and defending national sovereignty and independence.

Gautier said that the two sides had no divergence of views on international issues.

While Switzerland is a small but a wealthy country, Liao said, China is vast and poor, but it has rich resources and a huge market. He said that the Swiss were welcome to invest in China, either setting up enterprises with sole-ownership or engaging in joint ventures. Liao believed that the Swiss delegation's visit would promote mutual understanding between the two peoples, which would lead to close unity and cooperation.

Gautier said that he and his colleagues appreciated China's flexible and practical spirit, which was good for economic development. Hans Muller, Swiss ambassador to China, was present.

#### Hosts Return Banquet

OW091942 Beijing XINHUA in English 1648 GMT 9 Oct 84

[Text] Beijing, October 9 (XINHUA) -- The Swiss parliamentary delegation led by Andre Gautier, president of the National Council, gave a return banquet here this evening. Among those present were Liao Hansheng, vice-chairman of the Standing Committee of the Chinese National People's Congress, and Hans Muller, Swiss ambassador to China.

Both Gautier and Liao proposed toasts to the further growth of friendly relations and cooperation between the two countries. The Swiss visitors will leave here tomorrow for other parts of China.

#### Visits Xian

OW102042 Beijing XINHUA in English 1833 GMT 10 Oct 84

[Text] Xian, October 10 (XINHUA) -- The Swiss parliamentary delegation led by Andre Gautier, president of the National Council, arrived here earlier today in the company of Qian Min, member of the Chinese National People's Congress Standing Committee. After their arrival, the Swiss guests visited the biggest mosque in Shaanxi Province. In the afternoon, they visited a museum for public display of the hundreds of life-size terracotta horses and armored warriors excavated from locations near the tomb of Qin Shi Huang (259-210 B.C.), the founder of the Qin Dynasty (221-207 B.C.).

In the evening, the Standing Committee of the Shaanxi Provincial People's Congress gave a banquet for the Swiss delegation. Li Lianbi, vice-chairman of the provincial People's Congress Standing Committee, and President Gautier made toasts at the banquet. Swiss Ambassador to China Hans Muller and Mrs. Muller are accompanying the delegation on the visit to Xian.

I. 11 Oct 84

PRC INTERNATIONAL AFFAIRS  
EASTERN EUROPE

H 1

LI MEETS ROMANIANS; SPEAKS ON PLENARY SESSION

OW071310 Beijing XINHUA in English 1250 GMT 7 Oct 84

[Text] Beijing, October 7 (XINHUA) -- Chinese President Li Xiannian further specified here today that the Third Plenary Session of the 12th Central Committee of the Chinese Communist Party would be held on mid-October to discuss reform on China's economic structure, especially management of urban economy.

The reform was aimed at raising productivity, he said.

He said this while meeting a delegation from the Romania-China Friendship Association led by Vasile Vilcu, chairman of the Central Auditing Commission of the Romanian Communist Party.

While briefing the guests on China's political and economic situations, Li said that the socialist planned economy must reflect the law of value. "We are still studying this problem and more efforts are required," he said.

After initial results had been achieved in reforming the rural economic structure, Li said, China was now ready to restructure the urban economy.

He spoke highly of the achievements the Romanian people scored under the leadership of President Nicolae Ceausescu. He said he appreciated the independent domestic and foreign policies upheld by the Romanian Communist Party.

Vilcu told the president that the military and civilian parade on China's National Day had left him a deep impression. Among the industrial and agricultural projects he and his colleagues had visited in China, Vilcu especially mentioned a country market where laboring people could buy what they wanted at prices they could afford.

He also conveyed President Ceausescu's regards for President Li, General Secretary Hu Yaobang and Premier Zhao Ziyang.

Li asked Vilcu to convey his regards for Ceausescu and other Romanian leaders.

PRC, ROMANIAN PRESIDENTS' ANNIVERSARY MESSAGES

HK091032 Beijing RENMIN RIBAO in Chinese 5 Oct 84 pp 1, 4

[XINHUA report: "Texts of Greetings Messages Exchanged Between Li Xiannian and Ceausescu on Anniversary of Sino-Romanian Diplomatic Relations"]

[Text] Beijing, 4 Oct (XINHUA) -- On the 35th anniversary of the establishment of diplomatic relations between the PRC and the Socialist Republic of Romania, President Li Xiannian and President Ceausescu exchanged messages of greeting. The texts of their messages follow:

Li Xiannian's Message to Ceausescu

President of the Socialist Republic of Romania,

Comrade Nicolae Ceausescu:

On the occasion of the 35th anniversary of the establishment of diplomatic relations between the PRC and the Socialist Republic of Romania, I, on behalf of the PRC, the Chinese Government, and the people, and on my own behalf, extend the warmest greetings to you and, through you, to the Socialist Republic of Romania, the Romanian Government, and the people.

The establishment of diplomatic relations between China and Romania was a major event in the development of friendship between the peoples of the two countries. In the 35 years since the establishment of diplomatic relations, our two countries have, in line with Marxist-Leninist and proletarian internationalist principles, adhered to the criteria for international relations, such as mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence, and have entered into overall, extensive, and remarkably successful cooperation in various fields. In the past few years, the leaders of the two parties and the two countries have constantly exchanged visits, further cementing our ties. The relations of cooperation between China and Romania have stood the test of history and have given an effective boost to the efforts of the two countries in building socialism and maintaining world peace. The Chinese people set great store by unity and friendship with the Romanian people and will continue to make persevering efforts in consolidating and strengthening our relations of friendly cooperation.

May Sino-Romanian friendship last forever!

May the Socialist Republic of Romania enjoy peace and prosperity!

Li Xiannian, president of the PRC  
3 October 1984, Beijing

Ceausescu's Message to Li Xiannian

President of the PRC,

Comrade Li Xiannian:

On the occasion of the 35th anniversary of the establishment of diplomatic relations between the Socialist Republic of Romania and the PRC, I take great pleasure in conveying to you and the whole party and state leadership of the PRC a cordial comradely salute and best wishes on behalf of the Central Committee of the Communist Party of Romania, of the State Council, and of the government, as well as on my own behalf.

An expression of joint aspirations and the wish to strengthen traditional relations of collaboration and solidarity between the Communist Party of Romania and the CPC, and between the Communist Party of Romania and the CPC, and between the revolutionary and democratic forces in the two countries, the establishment of diplomatic relations, immediately after the proclamation of the PRC, was a moment of decisive importance in the strengthening and further development of friendship and collaboration between our countries, parties, and peoples.

Our party and state are highly appreciative of the fine relations between the Socialist Republic of Romania and the PRC, which, on the lasting basis of the principles of full equality of rights, unwavering observance of national independence and sovereignty, non-interference in domestic affairs, mutual advantage, and comradely mutual assistance, have followed -- through these 35 years -- a steadily ascending course on the political, economic, cultural, scientific, and other planes, in the mutual interest and of the fight for social progress, independence, collaboration, and peace in the world.

I wish to stress with great satisfaction the particular importance of the summit visits and meetings -- held either in Bucharest or in Beijing -- and of the talks conducted and understanding reached on those occasions, which gave new and powerful impact to the brotherly productive cooperation between our parties, countries, and peoples. I find it pleasant to underscore, in this context, the particular significance of the talks conducted during your visit to Romania, which once again highlighted -- through the conclusions reached -- the joint wish of our countries and peoples to strengthen their collaboration and cooperation both bilaterally and in the international arena, in the fight to constructively settle the major and complex issues facing present-day mankind.

I avail myself of this opportunity to once again express the unflinching resolve of our party and state leadership and of the Romanian people to further work, in all firmness, for the Romanian-Chinese relations of friendship and collaboration to develop ever more, in the interests of the progress and welfare of the two countries and peoples, the general cause of socialism and the policy of independence, collaboration, and peace.

Dear Comrade Li Xiannian, I convey to you and other members of the party and state leadership of the PRC most sincere wishes for good health and happiness, and for new and ever greater successes in all your activities, and to the friendly Chinese people wishes for progress and prosperity.

Secretary general of the Communist Party of Romania,

President of the Socialist Republic of Romania,

Nicolae Ceausescu

#### ROMANIAN MILITARY ACADEMIES DELEGATION VISITS

##### Delegation Visits Nanjing

OW070631 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 5 Oct 84

[Text] The Romanian delegation of military academies, led by Lieutenant General Constantin Oprita, chief of the Romanian Army cadres education section, arrived by special plane in Nanjing the afternoon of 4 October.

A banquet was held that evening by Guo Linxiang, political commissar of the Nanjing Military Region, to warmly welcome the Romanian comrades. Political Commissar Guo Linxiang and Lt Gen Oprita both made a toast at the banquet, which was permeated by the friendship between the Chinese and Romanian Armies. They both wished continued development of friendship and cooperation between China and Romania. Zhou Deli, chief of staff, and Wei Jinshan, director of the Political Department of the Nanjing Military Region, and others attended the banquet.

Xiang Shouzhi, commander of the Nanjing Military Region, met the delegation the evening of 5 October.

The delegation will leave Nanjing the morning of 6 October for Xian.

##### Yang Dezhi Hosts Delegation

OW081515 Beijing XINHUA in English 1434 GMT 8 Oct 84

[Text] Beijing, October 8 (XINHUA) -- Yang Dezhi, chief of the General Staff of the Chinese People's Liberation Army, met and feted a Romanian delegation of military schools led by Lieutenant General Constantin Oprita, here this evening.

Zhu Yunqian, deputy director of the PLA General Political Department, and Angelo Miculescu, Romanian ambassador to China, were present on the occasion.

The Romanian guests came here September 28 and have since toured Dalian, Shanghai, Nanjing, Xian and Shijiazhuang. They are scheduled to leave for home tomorrow.

'MAJOR REFORM' OF PLANNING SYSTEM SLATED

HK110439 Beijing JINGJI RIBAO in Chinese 6 Oct 84 p 1

[Report: "State Planning Commission To Conduct Major Reform of Planning System"]

[Text] With the approval of the State Council, the State Planning Commission will conduct some major planning system reforms. One of the main ingredients of the reform is to reduce the number of industrial and agricultural products whose output is subject to compulsory state plans and to expand the scope of guidance in planning and market regulation. It was learned that starting in 1985, the number of industrial products subject to compulsory plans laid down by the State Planning Commission will be reduced from 120 to approximately 60, and the number of agricultural and sideline products subject to the state's purchasing quotas will also be reduced from 29 to fewer than 10. The production of goods not subject to the state's compulsory or guidance plans will be regulated by market forces.

After the reform measures are carried out, the state will rely mainly on application of the law of value and on various economic levers to ensure fulfillment of the compulsory and guidance plans. This will further facilitate the expansion of enterprises' management powers and thus better arouse the initiative and creativity of large-scale backbone enterprises. At the same time, it also will ensure and maintain the overall balance in the national economy and orient the activities of enterprises to national economic development requirements.

After the scope of compulsory planning is narrowed, the state will only lay down compulsory planned targets on such key industrial products as coal, crude oil, various oil products, rolled steel, nonferrous metals, timber, cement, electricity, basic raw materials for the chemical industry, chemical fertilizer, important machinery and electrical equipment, synthetic fibers, newsprint, cigarettes, and munitions, in order to ensure the needs of key production and construction projects. The state will also control the distribution and transfer of these products. Under the multilevel management principle, various ministries of the State Council, provinces, autonomous regions, and municipalities will be authorized to set compulsory production quotas for a small number of important industrial products within their respective trades and areas apart from the items subject to the state's compulsory plans. The relevant ministries and localities will be responsible for guaranteeing the balance between supply and demand concerning the production of these products. However, large-scale enterprises to which the state has assigned production tasks will be responsible only to the state, and no ministry or locality should assign more production tasks to them.

The prices for products subject to compulsory plans, apart from those on which the state has laid special stipulations, will all be fixed by the state. However, under the premise of ensuring the fulfillment of compulsory production tasks assigned by the state, enterprises have the right to sell their surplus products on free markets at flexible prices fluctuating within the limits prescribed by the state. This includes any industrial production materials except those the state has forbidden to be sold freely. Consumer goods and agricultural production materials that are sold freely by producers must also be priced on a fixed or floating basis strictly according to the relevant state stipulations. However, enterprises are allowed to use these goods to carry out cooperation with other units.

If an enterprise fails to fulfill the state's compulsory production targets, the state will reduce a corresponding quantity of raw materials and energy supplied to the enterprise during the following year and will impose a fine upon the enterprise, which will have to pay the fine by debiting its enterprise fund account.

When producing goods that are subject to the state's guidance plans, enterprises can arrange production and marketing by themselves in accordance with the state's general guideline and in light of the supply of raw materials and energy and market demands, and should do their best to fulfill the state plans. Products in this category will be priced on a fixed or floating basis according to relevant state stipulations. The price can also be set through negotiations between the buyer and the seller.

In the field of transportation, the state will only impose compulsory plans on the volumes of important materials transported by rail or waterways in the handling of units directly subordinate to the relevant ministries and on the volumes of freight handled by major seaports. The state will conduct guidance planning in regard to other freight transportation and the gross volume of postal and telecommunication service.

In agriculture, the state will set compulsory quotas for the quantity, variety, and quality of such major agricultural and sideline products as cereals, cotton, edible oil, tobacco, jute, pigs, and the second category of aquatic products to be purchased and transferred by the state, because these products have a direct bearing on the national economy and the people's livelihood. The fulfillment of these planned targets will be ensured by the signing of purchase contracts at various levels from top to bottom. After the purchase targets are fulfilled, surplus products can also be sold on free markets. Apart from those products subject to special stipulations laid down by the State Council or localities, all other agricultural and sideline products will be produced and sold according to market forces.

#### RENMIN RIBAO Editorial

HK111034 Beijing RENMIN RIBAO in Chinese 11 Oct 84 p 1

[Editorial: "An Important Step For Reforming the Planning System"]

[Text] The State Council has approved and relayed "Some Provisional Regulations Regarding the Improvement of the Planning System." This is an important step for conforming with the development of the situation in reforming the existing economic system.

For the last 30-odd years, on the basis of a planned economy, our country has concentrated a great quantity of financial resources, material resources, and manpower to carry out large-scale socialist economic construction, and has made tremendous achievements. However, with the development of our economy, the defects existing in the planned economy have become increasingly evident. They consist mainly of excessive concentration and administration, excessive scope and ratio of the directive plans, and negligence in market regulation; in planned management, there is an inability to make good use of the law of value and the means of economic regulation. This system seriously fetters the initiative and activity of various sectors, and causes lack of flexibility and vitality in economic development. It is essential to carry out important reforms, in order to cater to the new situation in opening to the outside world and enlivening the domestic economy.

Ours is a socialist country, and planned economy must be upheld. However, the interpretation of planned economy in the past has been neither all-round nor profound.

Directive plans were excessively emphasized, and, to a great extent, planned economy was separated from or even made contradictory to the law of value. Practice has proved that these concepts and practices do not conform to the reality of our country. Our socialist planned economy at the present stage is carried out under the condition of the existence of commodity production and commodity exchange. Since all aspects of the economic life in society cannot be separated from commodity, currency, and price, the law of value is bound to function in the broad sphere of production, circulation, and distribution. Therefore, the implementation of the planned economy not only has to observe the requirements of the basic rules of the socialist economy and the rule of developing the national economy in a planned and proportionate way, but also has to act in accordance with the law of value, and must attach great importance to and consciously make use of the law of value. A planned economy does not mean the overall implementation of directive plans, but directive plans are an important part of carrying out the planned economy. Market regulation is a necessary and beneficial supplement to the planned economy. Proceeding from this understanding, the basic orientation and principle in our planning system reform should be to manage the large aspects well, relax the small aspects with flexibility, consciously make use of the law of value, and use economic regulation means more liberally. Those areas that need the implementation of directive plans should only include that portion of important products directly bearing on the national economy and the people's livelihood, that portion requiring the state's handling of transfer and distribution, and those important economic activities closely tried to the overall situation. Directive plans should be practiced in regard to the numerous and general economic activities, and should be realized mainly through economic measures and economic laws and regulations. In addition, directive plans must also consciously make use of the law of value and economic measures. With regard to those small commodities and service and repair trades, full relaxation should be practiced and market regulation carried out. Carrying out reforms in line with these principles is the central topic in building a socialist planning system with Chinese characteristics.

Planning system reform is complicated and involves a wide range of work. It should be carried out step by step. The purpose of working out these regulations is to reduce the scope of mandatory plans, to expand the scope of guiding plans, and to bring into play the role of market mechanism. In drawing up plans for industrial and agricultural production, for commerce and foreign trade, and for utilization of foreign investment, it is necessary to correct the shortcomings of giving an excessively large scope of mandatory plans and of excessively centralizing managerial power, and to give sufficient decisionmaking power to localities and departments -- to enterprises in particular. To stabilize the economy, after delegating to the lower levels power for working out plans, it is necessary to improve and strengthen the work of balancing and managing the national economy. It is necessary to change the administrative methods adopted in the past; to follow the law of value in using economic levers such as prices, taxation, credit, wages, and financial subsidies; and to do a good job in providing economic information and advice, in carrying out economic forecasts, and in working our economic legislation in order to effectively guide and regulate the development of the economy. In this way we will be able to unify planning with flexibility, to bring into full play the initiative of basic-level enterprises and laborers, to invigorate enterprises, to enliven the economy, and to develop the national economy in a well-coordinated manner.

Now various departments are confronted with an important task -- mastering the skill of using economic levers. Proceeding from the idea of raising social economic results, they should work with one heart and one mind and cooperate with each other in order to realize state plans better by means of economic levers. To do this job well, planning departments at various levels should take the lead and cooperate with the functional departments concerned in drawing up and implementing a plan for the comprehensive use of economic levers.

To effect the above measures, it is necessary to make a series of reforms in planning work. Planning departments at various levels should free themselves from outmoded concepts and methods in order to bring about a new situation in their thoughts and work and to follow the steps of the reform. It should be pointed out that these regulations are merely the first step in planning system reform. Various localities and departments should further develop the spirit of emancipating the mind, seeking truth from facts, boldly probing into new problems, and doing things in a down-to-earth manner. They should strive to study new problems, to sum up new experiences, and to carry out planning system reform in depth.

#### Document Outlines Reform

OW110644 Beijing XINHUA Domestic Service in Chinese 1239 GMT 9 Oct 84

[Text] Beijing, 9 Oct (XINHUA) -- On 4 October, the State Council approved and disseminated "Some Provisional Regulations on Improving the Planning System" formulated by the State Planning Commission. The State Council also issued a circular asking all localities, as well as ministries and commissions at the central level and their direct subordinate organs, to comply with these regulations.

The State Council circular pointed out: Our country's current planning system must be reformed in order to meet the needs of enlivening the domestic economy and opening to the outside world. The main problems in the current planning system are: overcentralized planning, too rigid control, too many mandatory plans, neglect of the regulating role of the market, and failure to use the various means of economic adjustment effectively. To correct these problems, we must appropriately reduce the scope of mandatory plans, expand the scope of guidance plans, and make more use of the market as a regulating mechanism in accordance with the spirit of "controlling major activities while giving a free hand and allowing flexibility with regard to minor activities." There must be mandatory plans for major economic activities concerning the national economy and the people's livelihood, while guidance plans must be made for numerous general economic activities. We must use the market to regulate the activities of catering and service trades and small commodity production. After the expansion of the scope of guidance plans and the use of the market as a regulating mechanism, grassroots units will be in a better position to carry out economic activities flexibly on their own initiative. We must, however, see to it that the economic activities of various enterprises do not run counter to needs of the development of our national economy. To this end, while taking the necessary administrative measures, we must make more use of economic adjustment means and draw up control statutes and economic regulations accordingly.

According to the circular, the planning system reform is a very wide-ranging and complicated task. It is necessary to study the various aspects of the question and to carry out various reforms one at a time in accordance with the principle of acting in an active but reliable way. The State Planning Commission's document known as "Some Provisional Regulations on Improving the Planning System" is an embodiment of the above guidelines.

Therefore, the State Council agreed to have it implemented on a trial basis, beginning in 1985.

Here are the principal contents of "Some Provisional Regulations on Improving the Planning System" formulated by the State Planning Commission:

1. Production Plan: In agriculture, the state makes guidance plans for the production of staple agricultural products. The state plans are formulated on the basis of the plans submitted by various provinces, autonomous regions, and municipalities after making efforts to balance them. For the purchase and transfer of supplies of major agricultural products concerning the national economy and the people's livelihood -- such as grain, cotton, oil-bearing seeds, flue-cured tobacco, jute, ambari hemp, hogs, and marine products of the second category -- it is necessary to set mandatory goals for their quantities, varieties, and quality. It is also necessary to sign purchase contracts from bottom to top in order to fulfill these goals. All products left after meeting the purchase quota are not under control. Other agricultural products are regulated by the market unless otherwise stipulated by the competent authorities of the State Council or by the provinces, autonomous regions, and municipalities concerned.

In industry, the state makes guidance plans for the manufacture of major industrial products. However, mandatory plans (including quantities and varieties) should be made for such important products as coal, crude and other oils, rolled steel, nonferrous metals, timber, cement, electricity, basic industrial chemicals, chemical fertilizers, major machines and electric equipment, chemical fibers, newsprint, cigarettes, and defense industry products, which are distributed to various units or transferred from one place to another by the state. These plans should fit the major production conditions available. According to the principle of separate management at different levels, ministries, provinces, autonomous regions, and municipalities may set their own mandatory plans for the production of a few important industrial products in their respective fields or localities which are not included in the state's mandatory plans. In doing this, the ministries or the local authorities should take the responsibility of making available the major conditions for the production of these products. Big enterprises carrying out the state's mandatory plans should adhere to the planned quotas and should not raise the quotas when assigning the production jobs to others. Prices of products in the mandatory plans should be the unified prices set by the state unless otherwise stipulated by the state. While ensuring the fulfillment of the state's mandatory plans and supply contracts, an enterprise can make arrangements to manufacture more products than the plans require. Such extra products can be sold by the enterprise itself, unless the state has set special regulations barring the enterprise from doing so. (The regulation that an enterprise can sell 2 percent of the rolled steel in the plan remains unchanged). The state's supply departments can purchase the products sold by the enterprises. Prices of industrial production means sold by the enterprises are allowed to float within the limits set by the state. Prices of subsistence means and agricultural production means sold by the enterprises should conform to those set by the state (including the floating prices set by the state). The enterprises may also use such products to carry out cooperative projects with other units. The enterprises should accept orders for their products according to the quantities, varieties and quality contained in the state's mandatory plans and according to the requirements specified in the purchase orders. If a mandatory state plan cannot be fulfilled, the raw and semifinished materials and energy supply provided by the state in the next year's plan should be reduced accordingly, and a fine should be levied. Such a fine should be paid by the enterprise out of its retained fund.

With regard to those products under the state's guidance plans, the enterprises may make their own arrangements for production and sales according to the orientation of the state's plans, the availability of raw and semifinished materials and energy supply, and the demands on the market, while trying to fulfill the state's plans. Prices of these products may be the unified prices or floating prices according to the relevant state regulations or the prices may be decided upon through consultations between the suppliers and buyers. The production of those products not included in the state's plans should be regulated by the market conditions.

With regard to transportation, postal, and telecommunications services, the state should make guidance plans for railway and highway cargo transportation, the freight volumes handled at various ports, the cargo transported by ships and barges, the total volume of civil air transportation, and the postal and telecommunications work in the whole country. Mandatory plans, however, should be made for important materials transported by railways, freight volumes handled by shipping companies directly under the ministry, and cargo handled at major seaports.

2. Fixed asset investment plan: The general scale of investment on fixed assets by units owned by the whole people must be controlled according to schedule. In the investment on capital construction, the state is responsible for balancing and formulating mandatory plans for capital construction projects changed from state budgetary investments to loans, capital construction loans included in the state credit loan plan, and loans provided by international banking organizations or foreign governments. Local governments and departments are responsible for balancing the capital investments they have collected and foreign loans contracted under the state unified plan to be returned by themselves or contracted with the quota in the plan reviewed and approved by the State Planning Commission and allowing a 10-percent float in implementation. Autonomous Regions of minority nationalities should arrange their own capital construction under the guidance of the state plan and in accordance with the actual situation of local financial, material, and other resources. Yunnan, Guizhou, and Qinghai should follow the rules for autonomous regions of minority nationalities. All provinces, autonomous regions, municipalities, and various departments are responsible for balancing and arranging investments on the specific projects they finance.

In investment on technical transformation, it is necessary to exercise mandatory planning over technical transformation projects covered by the state budget or with foreign funds arranged by the state. Loans for technical transformation included in the state credit loan plan should be controlled by the People's Bank according to schedule. It is necessary to exercise guidance planning for investments on technical transformation collected by departments, localities, and enterprises themselves.

3. Plan to use foreign capital and foreign exchanges: In the plan on the international balance of payments, the state formulates guidance plans concerning the total amount of foreign capital to be used and mandatory plans concerning the amount of foreign exchange earnings and expenditures under state unified arrangements.

4. Plan to distribute materials: The state institutes a planned distribution system on a few important materials such as coal, iron and steel, timber, and cement. Materials needed for overfulfilling the plan for producing a certain product should be arranged by the enterprise through purchases on the market. The key cities should set up trade centers of means of production to regulate the supply and the needs of society and enliven the circulation.

5. Commerce and foreign trade plan: The state exercises guidance planning for the total volume of retail commodities and mandatory planning over the purchase and allocation of important commodities indispensable for the people's livelihood.

The state exercises guidance planning for the total volume of imports and exports and mandatory planning over the total volume of imports and exports under state unified arrangements and for major export and import commodities.

6. Labor wage plan: The state sets planned targets for the number of workers and staff members and total amount of their wages in units owned by the whole people. Aside from small rental or contract enterprises which are responsible for their own profits or deficits, the total amount of an enterprise's wages is to be increased or reduced on the basis of the results in fulfilling the state plan and economic efficiency and in accordance with the percentage set by the state. The increase of the average wage of workers and staff members should be lower than the increase of labor productivity. In addition, the state controls the total amount of wages by levying a premium tax or other kinds of taxes.

7. Plan for education and public health: In education, the State Planning Commission and the departments and localities concerned will formulate respective mandatory plans for the numbers of students and postgraduate students to be enrolled by and graduated from colleges, universities, and secondary specialized schools in accordance with the principle of supervision at separate levels. On the premise of fulfilling the state enrollment plan, all schools of higher learning should accept requests for training or set up joint classes with other institutions.

8. Plan for contract responsibility systems of various forms: Departments, localities, and the key cities should try out contract responsibility systems of various forms concerning the allocation targets for steel materials and coal and for certain commodities. Key industrial enterprises should try out, step by step, the contract system of graduated increases of output.

It is necessary to gradually institute an all-round system of investment responsibility among departments and localities for key construction projects related to energy, transportation, and raw and semifinished materials.

9. Strengthening of the work of balancing the national economy: With more management planning powers delegated to lower levels, the scope of mandatory planning will be reduced while that of guidance planning and market regulation will be enlarged. The planning commissions at various levels must pay particular attention to balancing financial resources (including finance and credit), material resources, and manpower resources (especially professional personnel) as well as the foreign currency reserves of the whole society and do a good job in arranging the major relationships between speed of economic development and scale of investment in fixed assets; between the focus of development and regional distribution; between the improvement of people's living standards on one hand and the ratio between agriculture and light and heavy industry on the other; and between accumulation and consumption.

10. Strengthening of the comprehensive utilization of various economic levers: The State Planning Commissions will take the lead and coordinate with the State Economic Commission, the Finance Ministry, the Labor and Personnel Ministry, the People's Bank, the State Bureau of Commodity Prices, the General Administration of Customs, the General Revenue Bureau, and other departments concerned in studying the comprehensive utilization of economic levers.

The planning commissions in all provinces, autonomous regions, and municipalities should also take the lead in coordinating the work of comprehensive utilization of economic levers and set up institutions for studying and using economic levers.

11. Strengthening of the management of economic information and doing good work in forecasting the national economy: The State Planning Commission and the departments concerned will regularly publish information concerning production and construction, science and technology, and market changes in order to give guidance for formulating and implementing plans. The planning commissions at various levels and all departments must step up the building of economic information networks.

12. Formulation of appropriate economic laws and management rules and regulations: It is necessary to pay keen attention to formulating regulations on management planning; to improve economic laws, especially laws concerning capital construction and utilization of foreign capital; and to enforce economic legislation and economic supervision in order to ensure the earnest implementation of state planning.

Guangdong and Fujian Provinces and Xizang Autonomous Region should follow the special policies formulated by the party Central Committee and the State Council.

#### Economic Levers Urged

HK110457 Beijing JINGJI RIBAO in Chinese 6 Oct 84 p 1

[Editorial: "Master the Skill of Applying Various Economic Levers"]

[Text] As the reform in our planning system develops, the scope and proportion of mandatory plans gradually decreases and that of guidance plans gradually expands. Under these circumstances, there should be a great change in our planning work. This means we should attach great importance to the application of the means of economic regulations.

Our socialist economy is a planned economy established on the basis of public ownership. At the same time, our country is now at a commodity economy stage in its historical development. It needs to vigorously develop commodity production and exchange. The law of value still plays an extremely important role in its economic activities. As there still exist, in a widespread manner, commodity monetary relations in a socialist society, economic regulation means are indispensable in administering the economy. We must deepen our understanding of this idea and heighten our awareness in this respect.

One of the tasks in reforming the planning system at present is to make comprehensive application of economic levers an important part of the planning of the state. In drawing up documents on state plans, we should not only decide the principles and tasks and arrange the concrete planned targets for our economic and social development, but should also conscientiously probe ways to apply economic levers such as prices, taxes, interest rates, exchange rates, financial subsidies, wages, and bonuses; issue in a planned and timely manner regulations on the readjustment of economic levers centered on the planned targets; put the timely and appropriate application of economic levers in as important a position as that of the formulation of planned targets; and thus turn economic levers into effective means for the realization of the tasks of the state plans.

In order to strengthen the comprehensive application of economic levers, we should carry out a variety of work. All the functional departments engaged in applying economic levers should start from the aim of raising the economic results of the whole society.

consciously and satisfactorily handle the relations of the application of the economic levers in their own hands and that of the economic levers in the hands of other departments; and make concerted efforts and cooperate with one another for the common aim of promoting the further enlivening of our economy and maintaining the harmonized development of our national economy. Our planning departments at all levels should set up organizations to probe ways to apply economic levers and to shoulder the responsibility for taking the lead in making all-round arrangements regarding the application of various kinds of economic levers and in harmonizing their work. These organizations should take the whole situation into consideration in studying this problem in order to strengthen the horizontal relations between various kinds of economic levers and to firmly ensure that the application of economic levers matches the planned targets. These harmonization organizations should have authority and should vigorously seek to heighten their work efficiency in order to give full play to the flexible role of economic levers.

We should see that at present the comprehensive application of economic levers in our planning work is a new type of work in our country and that it is relatively very difficult, and we should start from our country's economic characteristics and reality and forge ahead through exploration. Now the task that our planning workers face is that while satisfactorily administering the targets related to production, construction, and distribution of materials and goods, they must study hard and master the skill of applying economic levers and continue to improve their competence in comprehensively applying economic levers in order to meet the demands of the new situation.

ZHONGGUO XINWEN SHE Report

HK101538 Beijing ZHONGGUO XINWEN SHE in Chinese 0231 GMT 10 Oct 84

[News roundup by reporter Xu Hong: "A Blueprint of China's Urban Reforms" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 10 October (ZHONGGUO XINWEN SHE) -- On the eve of the convening of the 3d Plenary Session of the 12th CPC Central Committee, more and more reports on the theme of this session -- China's urban reforms -- have appeared in newspapers here. A blueprint of China's urban reforms can be roughly worked out from a comprehensive analysis of these reports.

At the National Day reception, Premier Zhou gave a highly generalized description of the current reforms: After the reforms, China's economic system will be a socialist economic system that gives the enterprises the fullest vitality, and China's planned economy will be a socialist planned economy which is consciously based on and makes use of the law of value.

The reports carried in JINGJI RIBAO in the past few days have shown that reforms of the pricing system and of the planning system are two crucial steps in the current urban reform.

Many economists have written articles that point out: In the current urban reform, the principal method of streamlining the economy is the establishment of a rational pricing system. China's current pricing system has many defects. For example, no significant price differential exists among items in the same category of commodities, so that superior quality products and inferior quality products sell at the same price; prices are irrational in various commodity categories, especially for primary products such as coal, timber, pig iron, and others, which are priced on the low side. The reform of the pricing system is a difficult job.

However, no matter how difficult it is, it has to be tackled, because it has a direct bearing on the success or failure of the urban reforms. At present, China's economic situation is very good. Production is developing rapidly, and the people's livelihood is being continuously improved. This is a favorable situation for carrying out the pricing system reform.

Work has been started for the planning system reform. According to JINGJI RIBAO the concept of reform may be summarized as: China will still implement the planned economy and will not practice market economy, but the planned economy must be in conformity with and must make use of the law of value, and it must use various economic levers such as price, taxation, interest rate, exchange rate, financial subsidies, wages, and bonuses. It is necessary to reduce the scope of the state's directive plans and expand the scope of the guidance plans and the regulation of the market. It is reported that starting in 1985, with regard to the directive plan administered by the state, the number of industrial products will be reduced from 120 to 60, and the number of agricultural and sideline products will be reduced from 29 to 10.

In step with the reforms of the planning and pricing systems, there will be reform of the state's economic management system. The orientation of the reform is the separation of administration from enterprises. Administration and management departments at various levels should streamline their administration and delegate power, and should reduce their intervention in enterprises step by step, in order to enable the enterprises to enjoy full vitality and motivation. Premier Zhao Ziyang has persistently held that a new economic network should be established "with the large enterprises as the basis and with cities as the center." It appears that the realization of this goal will be expedited through the current reforms.

#### CHANGES IN MINISTRIES TO HELP IMPROVE WORK

HK110328 Beijing CHINA DAILY in English 11 Oct 84 p 4

[Report by Zhang Xiaobei: "Ministry Changes to Aid Economic Improvements"]

[Text] The consolidation drive in Party and government ministries has entered a new stage, to combine rectification with party reforms.

The reforms, according to Xi Zhongxun, will help the economic reforms and promote production. This will be a yardstick for the campaign's success.

The three-month campaign is the third stage in the party consolidation drive. The first was studying the party line and policies, and the second was for self-criticisms and a thorough examination of the earlier work.

The process was decided by the Secretariat of the Central Committee of the CPC and the Central Party Consolidation Guidance Commission, and outlined in a Party circular at the end of June.

Xi, a secretariat member and adviser of the Central Party Consolidation Guidance Commission, has also pointed out that the Party will reject the old "leftist" methods of the "cultural revolution."

But it will adhere to party leadership and follow the mass line to distinguish right from wrong and make the Party at one with the Central Party Committee.

Xi warned against equating the consolidation drive with the economic reform, and considered it unrealistic to try to solve all problems during the stage.

Xi made his remarks at a conference for Party committees of all ministries to exchange experiences.

Other leaders of the Secretariat of the Central Committee of the CPC and State Council also underlined that:

All cadres should understand that the major task of our Party is to promote production and raise the standard of living of the people. Therefore, they should regard themselves as "public servants".

Party policy concerning intellectuals should be implemented to bring their initiative into full play. Party leaders should conscientiously listen to their criticisms and encourage them to raise suggestions.

The training of cadres should be strengthened to improve their quality. At the same time, the leadership at various levels should be examined, and qualified candidates for future leadership should be selected and cultivated, according to the Party Central Committee's requirements.

The problems of serious bureaucracy and abuse of power for personal gain should also be strictly dealt with, and anyone who covers up such cases must be punished according to State Laws and Party discipline.

The wage system should be reformed to carry out the principle of "to each according to his work". The wages of different trades and businesses should vary so that those who work well and make more contributions can earn more.

Leaders of ministerial Party committees are seeking further opinions and suggestions from staff to work out reforms on the basis of what Party members have learned from the first two stages.

#### Tentative Plans

Some ministries have already reported to the Central Party Committee their tentative ideas for improving their work.

The Ministry of Water Resources and Electric Power has decided to change its traditional policy of monopolizing power production, and will encourage others to build power stations.

Investors will be given precedence for the resulting power. Foreign funds will also be sought to build power stations.

The Ministry of Petroleum has decided to import more foreign funds, techniques, equipment and management methods, and to cooperate with foreign businessmen to extract oil on land and at sea.

It also plans to set up contract systems in oilfields and refineries, and to give the plants more power to make decisions to speed up the oil industry's development.

The Ministry of Communications admits that China's communications and transport facilities cannot meet the demand of the country's modernization programme.

To change this, it will separate government and enterprise and make all traffic administrations management departments.

The work will be carried out in two steps. One will be aimed at strengthening the management and guidance of communications and transportation.

The other will concentrate on transferring management of subordinate city enterprises. The ministry will also encourage competition among state-run, collectively-owned, and private enterprises.

The Ministry of Agriculture, Animal Husbandry and Fishery has started its reform by changing leadership at bureau level.

The average age of leaders has been reduced from 56.4 to 52.9, and the number of leaders with college educations is up from 33 percent to 69 percent.

The ministry will devote major efforts to quadrupling the gross annual value of agriculture production, and to developing farmer-owned enterprises, animal husbandry, fishery, farm produce, and sideline products.

The Ministry of Coal says the major obstruction to its reform is "leftist thinking" and the low cultural level of cadres.

It is calling on leaders at all levels to get rid of "leftist" and conservative ideas and overcome bureaucracy.

It has collected 368 suggestions from staff, and will review all previous ministerial documents and regulations. All those hindering reform and the policy of opening to the outside world will be revised or cancelled.

The coal ministry also says it will adopt a contract system in all State-run coal mines, encourage power production in pits, speed up coal extraction in east China, sign contracts with new miners, implement piece-rate wages, and develop small coal mines.

#### WAN LI STRESSES NEED FOR EDUCATIONAL REFORM

OW082314 Beijing Domestic Service in Mandarin 2230 GMT 6 Oct 84

[Excerpts] According to a GUANGMING RIBAO report, after hearing a report on reform by (Deng Shichu), party committee secretary of Shanghai's Jiaotong University, Vice Premier Wan Li said: The party Central Committee has issued a call for reform; all those who engage in reform have the support of both the party and the government. Wan Li emphatically pointed out: China's higher education must be reformed; there is no doubt about it. It is necessary to encourage bold approaches to and experiments in reform. There will be no change in course in this direction.

Wan Li said: The 12th CPC Central Committee will soon hold its 3d Plenary Session. While urban and economic reforms will be the main topics, the education issue will also be discussed at the plenary session. In reform, we expect to bring forth the full socialist enthusiasm and creativity of each unit and individual. We will never let anything stand in the way of our reform. This is a matter of principle. The reform conducted by Shanghai's Jiaotong University has been affirmed by the CPC Central Committee and the State Council and must be boldly continued. You must continue your efforts of reform according to your own ideas and planning. Do not be bothered by any slanderous gossip from society.

Wan Li also said: China is badly in need of professional people and knowledge. Therefore, the institutions of higher learning must be geared to the needs of economic construction and must strive to serve the economic construction.

COMMENTATOR'S ARTICLE ON ENTERPRISE LEADERSHIP

HK100835 Beijing RENMIN RIBAO in Chinese 8 Oct 84 p 1

[Commentator's Article: "A Debate on the 'Second Impact'"]

[Text] In the course of the reform of enterprise leadership, I have heard the opinion that the application of the system of putting the factory managers in charge is a second impact on political work. This is something to be clarified.

There cannot be a "second impact" without a "first." The comrades who hold the above view regard the shift of the focus of the party's work as the "first impact" on political work. In their opinion, politics as such means class struggle, and to do political work is to grasp class struggle and to launch political movement. Is the shift of the focus of the party's work onto economic construction not ruining politics and political work? They do not realize that in the new historical period, the major contradictions to be resolved by our country are no longer the questions of class struggle and that the content and purposes of political work have changed. Comrade Deng Xiaoping pointed out: "At present, socialist modernization is our most important political issue because it represents the greatest interest of the people." The meaning of this remark is similar to the meaning of the remark Lenin made after the October Revolution: "The main political issue is to carry out the economic construction of the country." Our present political work, centered on economic construction, is to heighten the political and ideological awareness of the masses, to serve the four modernizations, and to ensure the smooth realization of the four modernizations. This does not mean that political work has been adversely affected but that we have set right our course and put ourselves in the correct position.

Given the so called "first impact," it is not strange that people regard the application of the system of putting factory directors in charge as a "second impact." In fact, the application of the system of putting factory directors in charge has not adversely affected political work but has created conditions for the strengthening of political work. In the past, the party was not separate from the government and the party eclipsed the government. The enterprise's party organizations were in charge of everything. The party committees (in fact their secretaries) decided everything from the most important to the least important. Thus, decision-making in production and business management was sluggish, efficiency was absent, and, in fact, nobody was really in charge. Consequently, economic work was gravely impeded. In addition, as "the party did not do party work," ideological and political work was far from well done. After the application of the system of putting factory managers in charge, the factory managers are to be fully responsible for directing production and the management of the enterprises. In this way, the party organizations can free themselves from administrative work, concentrate their energy on party building, pay attention to the ideological education for the cadres and the masses, and serve as guarantors and supervisors. How can one say that we are weakening the party's ideological and political work?

It is untrue that political work has been adversely affected twice. From this, one may conclude that the thinking of some comrades is still restricted by the idea of "taking class struggle as the key link" and that they have not completely discarded the absurd ideas of "highlighting politics" and of "the impact of politics on other things." Under the new circumstances, it is only natural that all those out-moded ideas which put everything under the command of politics are challenged. If we can completely discard these ideas, our ideological and political work will be full of vitality.

COMBINING FACTIONALISM, POWER MOST DANGEROUS

HK090641 Beijing RENMIN RIBAO in Chinese 5 Oct 84 p 1

[Report: "YUNNAN RIBAO Carries Commentator's Article on Danger of Combining Factionalism With Power"]

[Text] YUNNAN RIBAO, on 28 September, carried a commentator's article entitled "The Combination of Factionalism and Power Is Most Dangerous"; a summary of the article follows:

In the course of education in thoroughly negating the "Cultural Revolution," eliminating factionalism, and strengthening party spirit, the broad cadres and masses have discussed expressions of factionalism, and have deepened their understanding of the danger of factionalism. People understand better that although the number of cadres who are seriously affected by factionalism is small, it will be most dangerous and will bring about the greatest harm if factionalism is combined with power. Generally, factionalism is a matter of ideological understanding; but once it is combined with power, it will bring about a splitting of the party from the cadres and masses, will shield "people of three categories," will deviate from the party's political line, and will sabotage the four modernizations. Therefore, regarding its results, we cannot say that it is only a matter of understanding.

The key to eliminating factionalism in a down-to-earth manner lies with the cadres at various levels. This is because they have power in their hands, they have the final say in the appointment, selection, and promotion of cadres and in the distribution of financing and materials, and they have important influence in examining "people of three categories." As long as leading cadres persist in the party spirit and dare to dispel the interference of factionalism, they will be able to organize leading bodies with combat effectiveness in accordance with the criteria for cadres; they will be able to lead the masses to pursue the four modernizations and to create a new situation with one heart and one mind through concerted efforts; and they will be able to weed out "people of three categories" resolutely and steadily in accordance with the Central Committee's resolution on party rectification and the relevant principles and policies. But if the leading cadres are preoccupied by factionalism, then localities or units will be affected; the cadres and masses will not be of one heart and one mind; and they will not work in harmony. Hence, unstable factors will exist, and the party's principles and policies will not be resolutely implemented. If factionalism should be combined with power, the party's cause will suffer losses.

Why is it that some rebel chieftains who have committed grave mistakes should be so omnipotent? Why is it that they are given whatever they want -- money, goods, materials, and positions? This is because a minority of our cadres are affected by factionalism, consciously or otherwise, and have given the green light to these people. The danger will be particularly great once power over organization and personnel matters is combined with factionalism. The leading cadres who are seriously affected by factionalism may act in violation of the principle of democratic centralism and exceed their authority in making personnel arrangements and organizing the leading bodies of particular units, so as to control particular departments in line with factional views. Some leading cadres have violated the organizational principle; they have taken advantage of their positions in recommending leading cadres without organizational examination and discussion. Some of them have even, time and again, recommended rebel chieftains to work in leading organs and to take up leading posts.

The leading bodies of some units find it easier to arrive at a unified understanding in work in general, but when it comes to personnel matters, such as the appointment and removal of cadres from office, institutional readjustment, adjustment of wages, and grading, factionalism will invariably emerge, and such matters are not fairly dealt with in line with the principles of party spirit. While a handful of leading cadres come into power on the strength of factionalism, once they are in power, they become the shield of factionalism, encourage factional activities, and support factionalism openly or secretly. Some of them even go so far as to take advantage of their positions in combining factionalism with their network of connections, and with unhealthy trends, the results are all the more grave.

The power of every leading cadre is entrusted to him by the party and the people, and every leading cadre is serving the people. He must start from the interests of the party and the greatest interests of the people in dealing with people and things, and always be very meticulous in using his power. He should by no means use the power in his hands lightly, let alone use it arbitrarily. The very small number of leading cadres who hold that "once they have power, they will use it at their will" should seriously raise their political consciousness and change their attitude. They should never combine their power with factionalism, making the cause of the party and the people suffer losses.

#### ZHANG JINGFU OPENS HOLOGRAPHIC PHOTO EXHIBITION

OW070549 Beijing XINHUA Domestic Service in Chinese 0936 GMT 4 Oct 84

[By reporter Yang Huimin]

[Excerpt] Beijing, 4 Oct (XINHUA) -- The first national holographic photo exhibition opened at Beijing's building material exhibition hall today.

Wang Renzhong, vice chairman of the NPC Standing Committee and Zhang Jingfu, state councillor, cut ribbons for the exhibition. Attending the opening ceremony were Pei Lisheng, vice chairman of the China Scientific and Technical Association, and Wang Daheng, council chairman of the China Optics Society. Jointly sponsored by the China Optics Society and some 40 related organizations, the exhibition aims at popularizing holographic techniques and knowledge as well as optical holography.

#### LEADERS CONGRATULATE POSITRON COLLIDER LAB

OW110039 Beijing XINHUA Domestic Service in Chinese 0907 GMT 8 Oct 84

[Text] Beijing, 8 Oct (XINHUA) -- Upon learning that the Beijing national electronic positron collider laboratory has broken ground, Comrades Deng Yingchao and Nie Rongzhen happily telephoned or wrote to responsible persons of the leading engineering group to congratulate and encourage all the comrades participating in this important construction.

Comrade Deng Yingchao said on the telephone: "I wish the construction a success."

Comrade Nie Rongzhen said in his letter that he hoped all the comrades participating in the construction will successfully accomplish the construction task and contribute to the four modernizations in the spirit of self-reliance and vigorously coordinate with each other in solving difficult problems.

YANG SHANGKUN PRAISES YUNNAN FRONTIER GUARDS

OW082035 Beijing XINHUA Domestic Service in Chinese 1652 GMT 8 Oct 84

[By reporter Guo Diancheng]

[Text] Beijing, 8 Oct (XINHUA) -- Yang Shangkun, vice chairman of the Central Military Commission, called on all commanders and fighters in the Army to follow the example of model heroes in the fighting in "Laoshan and Zheyinshan areas" and make further efforts to build the People's Army. He made this remark today at a meeting held by the General Political Department to report the deeds of model heroes in the self-defensive counterattacks against Vietnam in the Laoshan and Zheyinshan areas on the Yunnan Frontier.

At the report meeting responsible person of a Yunnan frontier guard unit Yi [name indistinct], "Combat hero" Shi Guangzhu, and "model medical orderly" Zhong Huiling reported the heroic model deeds of the combat unit and the individuals.

In his speech Yang Shangkun said: The heroes' reports have given us a very intensive education. They are only representatives of the commanders and fighters of our frontier combat units. Actually there are a lot more model heroes like them in the combat units. These young PLA fighters have performed so well and so valiantly in fighting because they have inherited and carried forward the PLA's glorious tradition and used their concrete action to display the "five kinds of spirit" advocated by Comrade Deng Xiaoping -- the spirit of revolution plus daring, the spirit of strict discipline and self-sacrifice, the spirit of acting selflessly and putting others' interests ahead of own interests, the spirit of conquering all enemies and all hardship, and the spirit of upholding revolutionary optimism and surmounting every difficulty to win victory. This is worthy of emulation by all commanders and fighters of our Army.

Speeches were also delivered at the meeting by Yu Qiuli, Yang Dezhi, Hong Xuezhi, and Wang Ping. They pointed out: The heroic units and fighters have performed magnificent, heroic, and moving deeds. It is a source of pride for the motherland, glory for the people, and an honor for the PLA to have such commanders and fighters who fear neither hardship nor sacrifice.

Over 2,000 commanders and fighters from the Army, Navy, and Air Force units in Beijing attended the report meeting.

NEED TO NEGATE CULTURAL REVOLUTION VIEWED

HK050830 Beijing BAN YUE TAN in Chinese No 17, 10 Sep 84 pp 57-59

[Article by the Political Editorial Room: "Questions and Answers on Thoroughly Negating the 'Great Cultural Revolution'"]

[Text] Editor's note: In accordance with the planning of the Central Committee for Guiding Party Rectification, all units undergoing party rectification should unfold education in thoroughly negating the "Great Cultural Revolution" among the party members, which is of great significance in doing a good job in party rectification and the four modernizations. We have edited the following questions and answers for the reference of the readers in their studies. (end editor's note)

Question: Why is it that the question of thoroughly negating the "Great Cultural Revolution" has been posed again at present?

Answer: The "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China" adopted by the 6th Plenary Session of the 11th Central Committee 3 years ago drew conclusions on thoroughly negating the "Great Cultural Revolution." However, the pernicious influences of the 10 years of internal disorder of the "Great Cultural Revolution" are far-reaching; even today erroneous understanding and muddleheaded ideas still exist among some party members and cadres; a minority of people still persist in factionalism and have even engaged in factional activities; and some "leftist" erroneous views popular during the "Great Cultural Revolution" are still impeding the implementation of the party's line, principles and policies, reforms in the economic system, and the healthy growth of the party. Therefore it is very necessary to carry out education in thoroughly negating the "Great Cultural Revolution" in party rectification.

Question: Does through negation of the "Great Cultural Revolution" run counter to the view of one divides into two?

Answer: In analyzing things with the view of one divides into two, the model that "errors coexist with achievements" should not be applied generally to everything. Things are complicated and varied, and we must make concrete analyses in accordance with the nature of different things. The "Great Cultural Revolution" was a great disaster; it brought calamitous destruction to the state. Its nature has determined that it was completely wrong and must be thoroughly negated. If the view "one divides into two" is to be applied to the "Great Cultural Revolution," it can only be said that the "Great Cultural Revolution" was completely wrong. For us, analyzing the errors of the "Great Cultural Revolution" in earnest and drawing lessons from them will prevent us from repeating a historical tragedy. Just as Comrade Hu Yaobang pointed out: There was nothing correct in the "Great Cultural Revolution;" there was no positive role, and everything was negative concerning the "Great Cultural Revolution;" "if we said there were some positive factors, they would be that we learned something from our errors; in this sense, we can say it has become something good."

Question: Why is it said that only when the "Great Cultural Revolution" is thoroughly negated will it be possible to maintain unanimity with the Central Committee in politics and ideology?

Answer: The whole set of theories and practice of the "Great Cultural Revolution" were in total violation of Marxism-Leninism-Mao Zedong Thought, and in violation of the interests of the party and people. Only when the "Great Cultural Revolution" is thoroughly negated will we be able to profoundly understand and implement in earnest the correct line, principles and policies adopted by the party since the 3d Plenary Session of the 11th Central Committee. At present, a minority of comrades have not yet thoroughly done away with the pernicious ideological influences of the "Great Cultural Revolution." Therefore, they have failed to understand newborn things and even hold a skeptical attitude. Whenever the implementation of the responsibilities system is mentioned, they will regard it as a retreat from public ownership; whenever we say that some people are allowed to become rich first, they will hold that this is promoting polarization; whenever we mention that importance should be attached to intellectuals, they will say that this does not jibe with the party's class line; whenever we talk about transporting goods for sale, they will think that it is encouraging speculation.

Therefore, it is imperative to thoroughly negate the "Great Cultural Revolution" and to do away with the whole set of "leftist" criteria in judging what is right or wrong before we can further establish the Marxist criteria in judging what is right or wrong on the basis of practice, and before we can conscientiously maintain unanimity with the party Central Committee in ideology and politics.

Question: Why is it that the thorough negation of the "Great Cultural Revolution" must involve the thorough negation of "extensive democracy"?

Answer: "Extensive democracy" characterized by "airing ones' views freely, writing big-character posters, and holding great debates" is actually not democracy, but rather the arbitrary destruction of socialist democracy and the socialist legal system. It caused grave and evil effects during the "Great Cultural Revolution" and is loathed by the people. Therefore, the new Constitution of our country has resolutely denied such "extensive democracy." In order to thoroughly negate the "Great Cultural Revolution," we must of course negate "extensive democracy." Presently there is still a minority of people that would like to go in for "extensive democracy" once they failed in the fulfilling some of their demands. They have blind faith in the belief that "problems will be satisfactorily solved if everything is turned upside down; problems will be partly solved if some trouble is stirred up; and no problems will be solved in peace." Such evil legacies from the "Great Cultural Revolution" must be overcome and corrected.

Question: Why is it said that the thorough negation of the "Great Cultural Revolution" involves the resolute weeding out of "people of the three categories"?

Answer: "People of the three categories" are an ambitious force who made their fortunes on the basis of the "Great Cultural Revolution." Some of them to this day persist in the reactionary ideological system, and are still impeding and sabotaging the socialist modernizations either brazenly or secretly. During the current party rectification it is imperative to resolutely weed them out. Particular attention should be attached to those who took an active part in rebellion, who did evil things that brought grave results and who are now still comparatively young in age -- those who are concealing themselves and are dangerous to the party, and those who are pulling strings behind the scenes. What is worthy of our attention is that in some departments, localities, and units, because they have adopted an ambiguous attitude toward the "Great Cultural Revolution," some notorious "people of the three categories" have not been handled and have been shielded, while some are even listed in the "third echelon" and placed in important posts. If such conditions remain unchanged, they would become the root of ruin of the party and state. The experiences of all localities have proved that if the "Great Cultural Revolution" is not thoroughly negated, it will be impossible to fully reveal the true features of the "people of the three categories." If the "people of the three categories" are not resolutely weeded out, it also will be impossible to genuinely achieve the thorough negation of the "Great Cultural Revolution."

Question: Why should we say that both factions were wrong during the "Great Cultural Revolution"?

Answer: Speaking as a whole, either faction in the "Great Cultural Revolution" was a factional organization that rebelled against the "capitalist-roaders."

Both of them came into being and carried out their activities under the guidance of the erroneous theory of "continuing the revolution under the proletarian dictatorship." Both carried out activities of "rebellion" and "protection" as well; and organizations which protected leading cadres but refrained from rebellion against "capitalist-roaders" simply did not exist. Moreover, even if they were protecting leading cadres at that time, their actions were based on the set of theories from the "Great Cultural Revolution." Therefore, whether it was "protection" or "rebellion," they were both erroneous.

Question: How should we regard the Army's "three supports and two militaries" during the "Great Cultural Revolution"?

Answer: In reference to the Army's "three supports and two militaries" during the "Great Cultural Revolution," on the whole it was the implementation of the erroneous theory, principle, and policies. "Supporting the broad masses of the left" was "supporting factionalism." Lin Biao's advocacy of "giving prominence to politics" and that set of "leftist" ideas were brought to the localities. Besides, some personnel who carried out the "three supports and two militaries" committed mistakes and did evil things that harmed the cadres and masses, affected the relationship between the Army and the government and between the Army and the people, and harmed the prestige and honor of the PLA. As is pointed out in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China," sending the People's Liberation Army to carry out the three supports and two militaries campaign (support industry, support agriculture, support the broad masses of the left, military control and military training) was necessary under the confused conditions at that time, and it played a positive role in stabilizing the situation. It has, however, brought some negative results.

Question: In the course of carrying out education in thoroughly negating the "Great Cultural Revolution," how can we achieve close association with actual conditions and refrain from becoming involved in old accounts?

Answer: According to the experiences of the first-stage units undergoing party rectification in the army, in carrying out education in thoroughly negating the "Great Cultural Revolution," it is imperative to start from solving practical problems if actual conditions are to be closely associated without involving old accounts. Starting from solving practical problems means starting from the actual conditions in one's own unit and earnestly exposing the various expressions of the pernicious influences of "leftism" and the effects of factionalism, making an analysis and carrying out discussions, reasoning and considering things as they stand, with the "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China" adopted by the 6th Plenary Session of the 11th CPC Central Committee as an ideological weapon with the aim to distinguish what is right or wrong, and to unify understanding and to sum up experiences and lessons. With regard to those issues which have already been solved, there is no need to go into them again; it will not do any good if some tangled, unprincipled personal disputes are brought up again.

#### INDUSTRIAL GROWTH UP 12.5 PERCENT OVER 1983

OW091807 Beijing XINHUA in English 1444 GMT 9 Oct 84

[Text] Beijing, October 9 (XINHUA) -- China's industrial output to the end of September was worth 506.43 billion yuan -- 12.5 percent up on the same period last year, the State Statistical Bureau reported today.

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Light industry registered a 12 percent rise, while heavy industry enjoyed a 12.9 percent increase, showing a balanced growth, the bureau said. During the nine months, coal production rose 9.8 percent to 561.488 million tons, crude oil 7.3 percent to 84.589 million tons, and electricity 7.2 percent to 276.7 billion kwh, compared with the same period in 1983. Steel output was up 8.8 percent to 32.282 million tons, while increases of 10.6 percent and 7.4 percent were registered for rolled steel and pig iron respectively.

China's railways handled 907 million tons of freight and 829 million passengers, both 4.8 percent higher. Increases in the output of household electrical appliances, such as TV sets, tape recorders, washing machines, electric fans and refrigerators, ranged from 45.1 percent to 150 percent. Although 823,400 color TV sets were manufactured over the nine-month period -- a sharp rise of 160 percent -- they still could not meet demand.

The country produced 980 high-precision machine tools, 223,900 motor vehicles and 500,500 walking tractors, representing increases of 39.6 percent, 24.7 percent and 35.9 percent respectively. Cement output rose by 13.3 percent, while plate glass production was up 13.5 percent.

Of 100 industrial products classified by the bureau as major products, 14 have already met or surpassed their annual targets ahead of schedule. These include industrial boilers, metal-cutting machine tools, walking tractors, internal combustion engines, microcomputers and beer. The rise in output of these products varied from 6.6 percent to 240 percent.

#### RURAL BUSINESS INFORMATION PAPER ANNOUNCED

OW071149 Beijing XINHUA Domestic Service in Chinese 0934 GMT 4 Oct 84

[Excerpt] Beijing, 4 Oct (XINHUA) -- ZHONGGUO CUNZHEN BAIYE XINXI BAO [INFORMATION NEWS FOR HUNDRED BUSINESSES IN CHINESE VILLAGES AND TOWNS], which has the unique purpose of disseminating accurate economic, scientific, and technological information, will be officially inaugurated on 5 October after trial publication. Du Runsheng, director of the Rural Policy Research Center of the CPC Secretariat, wrote the foreword for the paper saying "A Paper Like This Is Needed: Everyone Should Support It."

Sponsored by the China Rural Development Research Center, the paper is a comprehensive periodical which provides services to rural specialized households, town and township enterprises, integrated economic establishments, supply and marketing cooperatives, technology disseminating stations, and agricultural and land reclamation departments.

#### FIRST NATIONAL WOMEN'S WEEKLY NEWSPAPER ISSUED

OW081214 Beijing XINHUA in English 1143 GMT 8 Oct 84

[Text] Beijing, October 8 (XINHUA) -- CHINESE WOMEN WEEKLY, China's first national women's paper, has been issued with an aim at "reporting women to society and society to women."

Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference and widow of the late Premier Zhou Enlai, wrote an inscription for the paper, urging Chinese women to strive for outstanding accomplishments in the four modernizations. Three-fourths of the paper's reporters and editors are women.

Listing its task in a forward to the paper, Kang Keqing, president of the All-China Women's Federation, wrote in the front page, that it should devote its pages to the coverage of outstanding women of all walks of life and their achievements and contributions to society by millions of ordinary women. "It is an unshirkable duty of the paper to struggle against any thinking and behavior that encroach on the legitimate rights and interests of women and children," Kang said.

The first number, issued on October 3 during the National Day celebrations, carries an interview with Zhao Wenrui, an ordinary woman worker who sewed New China's first national flag which was hoisted by the late chairman Mao Zedong at Beijing's Tiananmen Square on October 1, 1949.

Another front-page article says that in the last three years, China has allocated 650 million yuan of money for children's welfare and cultural facilities. Reports have also been devoted to China's first woman governor the 46-year-old Gu Xiulian whose province Jiangsu ranked first among all Chinese provinces, municipalities and autonomous regions in the total industrial and agricultural output value last year; the first woman lawyer of the Dai nationality in Yunnan Province; a woman scientist working at a satellite launching site.

The improvement of Chinese women's social status in government, education, medical care, employment, scientific research in the last 35 years are shown in figures, while a photo series illustrates the improvement of the life of an ordinary peasant family.

The newspaper is headed by the managing editor Wang Xiulin, 44, a graduate from the Department of Chinese of Shandong University in 1965. She worked in the All-China Women's Federation after graduation and joined in 1975 in the revival of the monthly magazine WOMEN OF CHINA which stopped publication during the Cultural Revolution. She became deputy director of the magazine's English edition in 1982.

"I have a great interest in questions concerning women especially marriage and family life," she told XINHUA. She said she maintained that women should be strong in both career and life. She likes classical Chinese literature and also plays pingpong and badminton. She has a special interest in travel and travel writing. From September 1981 to September 1983, she completed a long series of reports on her travel along the Great Wall in seven Chinese provinces, municipalities and autonomous regions. Her husband Li Shangzhi is a journalist and their two sons are studying in middle and primary schools.

CPC, STATE COUNCIL CIRCULAR ON AIDING POOR

OW080808 Beijing XINHUA Domestic Service in Chinese 1444 GMT 29 Sep 84

["Circular of the CPC Central Committee and the State Council on Helping To Change the Face of Poor Areas as Soon as Possible (29 September 1984)" -- XINHUA headline]

[Text] Beijing, 29 Sep (XINHUA) -- The situation in China's countryside has improved since the 3d Plenary Session of the 11th CPC Central Committee. However, due to the differences in natural conditions, the background of the work situation and the implementation of policies, rural economic development is still uneven. Particularly noteworthy is the fact that tens of millions of people in some localities are still poor and their problems of goods and clothing have yet to be thoroughly solved. Most of them live in mountainous areas, while other are minority nationalities living in close communities as well as those in old revolutionary base areas and remote regions. It is of tremendous economic and political significance to solve the problems in those areas. Party committees and governments at all levels should attach great importance to the matter and take positive and effective measures to help the people in such areas shake off poverty, improve production conditions, raise production capacity, and develop commodity production in order to catch up with the nation's economic development.

## 1. Follow a Definite Guiding Thought

2. The state has achieved very little even though it has spent a great deal of money to solve difficulties in poor areas, because policy did not take the practical situation into consideration in order to use state funds primarily to promote production in line with local conditions. Instead, quite a huge amount was used for or diverted to other purposes, or was used solely for relief funds. Therefore, it is necessary to earnestly sum up experiences, clearly understand that the fundamental way to change the face of poor areas is to rely on the efforts of local people, take local characteristics into consideration, suit measures to local conditions, exploit advantages and avoid shortcomings, fully utilize local resources, develop commodity production, and enhance the inner strength of the local economy.

The state should give necessary financial aid to poor areas. But such aid should be used properly and not regarded simply as a relief fund. Mountainous areas should give serious attention to developing forestry, animal husbandry, processing industry, mining, and other diversified undertakings; establish a rational production structure; foster close economic ties with urban and rural areas; change from a unitary to a comprehensive system of operation; turn a natural into a commodity economy; and stop depending on others.

To solve problems in poor areas, it is necessary to focus on major issues. Presently efforts should be focused on solving problems in a dozen or so areas with large numbers of poor people. Through investigations, verifications and comprehensive studies, we should adopt specific measures and implement them one by one. State funds and materials earmarked for poor areas should not be used in an egalitarian manner like "scattering pepper." Their misappropriation should be strictly prohibited.

## 2. Further Relaxation of Policy

The policies toward poor areas should be further relaxed. They should be more flexible and open than ordinary areas. The shortcoming of overconcentration and excessive control should be overcome so as to give peasants and herders in poor areas greater initiative in managing their affairs.

A. The masses themselves may select the most suitable form of operation, provided the system of public ownership of land is upheld. The masses who are willing to individualize certain aspects of production should be allowed to do so.

B. The farm land contract periods may be extended to 30 years. Contractors' rights are transferrable.

C. Livestock may be given or sold to households to be owned and raised by them over a long period of time.

The collective's nearby fertile hills and land with scattered trees, which can be afforested, may be designated as private hills to be managed by peasants. Trees planted by individuals are owned by them and are inheritable. Produce is managed by individuals themselves. The forest is also transferrable at a price and sales of "standing trees" are allowed. Barren hills in remote places that are not suitable for management by households may be managed through cooperative efforts. Trees and grass will be planted and revenues will be shared among shareholders. In places with many barren hills, one or several households may contract to manage the hills. Contract periods will be not less than 50 years. Barren hills may also be contracted to the masses of plains areas. Revenues therefrom will be proportionately shared. Collective forest farms may be turned into forestry cooperatives by selling shares at set prices. Bonuses will be paid according to shares held. The farms may also be jointly managed by several households.

E. State enterprises and establishments (state forest farms, natural conservation zones, reservoirs, power stations, factories and so on) in poor areas should follow the principle of not competing for profits with the peasants, suitably concede profits to peasants, and maintain good relationships with nearby communes and brigades. Within a fixed period of time, a certain proportion of the reservoir's revenues derived from power generation, collection of fees for water supplies, and aquatic and forest products should be used to help production among people relocated from dammed-up areas.

Hilly areas, water surfaces, and mineral deposits that state-owned enterprises and establishments are incapable of developing or which are poorly developed may be contracted to the peasants. Profits therefrom will be proportionately shared. If they need manpower, such units should recruit workers from nearby rural areas as much as possible, or they can carry out joint operation with local peasants in order to utilize fully resources and increase the peasants' income.

F. In places with mineral resources, the departments concerned should make plans to divide the area into sections and actively organize local peasants to exploit resources by pooling funds. Local people may also cooperate with people from other places in exploiting mineral resources. Developers of mineral resources should pay the fees stipulated for using territorial resources. They should abide by the relevant laws and decrees of the state.

G. In principle, farming on hillslopes slanting at more than 25 degrees should be gradually discontinued. The areas will then be planted with trees and grass by the original farmers, who will own whatever they plant, keep it for a long period of time and pass it on to their posterity.

#### 3. Lessen Burdens, Give Favorable Treatment

A. Starting in 1985 poor areas will enjoy exemption or reduction of agricultural taxes, as the case may be. The most difficult areas will be exempted from paying the agricultural tax for 5 years. The less difficult ones will enjoy a reduction for 1 to 3 years.

B. People from other places should be encouraged to go to the poor areas to set up developing enterprises (forest farms, stockbreeding farms, power stations, mines and factories). They will be exempted from paying income tax for 5 years.

C. The county people's government will determine if township enterprises, enterprises jointly run by peasants, family factories and individual merchants should be exempt from tax or have their tax reduced. It will also decide on the scope and time limit for exemptions and reductions.

D. All agricultural, forest products, animal byproducts, sideline and native produce (including grain, timber and bamboo) will no longer be purchased by the state in a unified manner. They will be purchased and marketed freely. State-owned departments and supply and marketing cooperatives concerned should vigorously act as commission agents in sales and purchases.

Trees should be felled in accordance with the forestry law. Local forest administration departments will designate the area for tree-felling and issue licenses accordingly. Bamboo and timber markets should be opened up. It is allowed to sell bamboo and timber freely, process them, and trade timber for grain and other materials. Pharmaceutical resources in need of protection like musk, the bark of eucommia, the bark of official magnolia, and licorice root, can only be sold at designated procurement departments at negotiated prices. This is designed to protect resources and guarantee their availability forever.

E. Commercial departments may sell on credit suitable quantities of cloth (or garments) and cotton for wadding to a few seriously impoverished households that are short of clothing and blankets. Mosquito nets may be sold on credit if they are needed. Credit sales and loans are all interest free.

#### 4. Enliven Commodity Circulation, Speed Up Commodity Turnover

The problem with roads linking county seats to townships (districts or communes) should be the first thing solved in poor areas. Efforts should be made to ensure that most of the townships (districts or communes) are accessible by motor vehicle or horse-drawn carriages in 5 years. The roads will be built with funds provided by the state, the localities and the masses. Surplus grain in storage may also be used to reimburse labor in road building. Over the next 5 years the state will annually earmark a portion of the key construction funds collected from highway maintenance fees to transportation departments to serve as special funds for helping poor mountainous areas build roads. The state materials and goods departments will make arrangements and give support with regard to the equipment needed in road construction. Roads below the township level will be built chiefly by local people. Places with potential for shipping should actively engage in river dredging to develop water transportation.

It is necessary to increase actively the number of specialized households in commercial transportation as well as transportation cooperative organizations. Vigorous efforts should be made to restore the various forms of transportation using horses, mules and oxen, for which transportation departments at all levels should draw up effective plans.

It is necessary to rely on and support the local masses in buying and marketing products and give them a free hand in developing collective- and individual-run marketing businesses. State-owned commercial and foreign trade departments as well as supply and marketing cooperatives should promptly purchase and promote the sales of products the people in mountainous areas want to sell and which the cities, plains areas, and foreign trade departments need. Mountainous areas should be helped to increase storing and processing equipment so as to turn mountain products into commodities as soon as possible. Fertile areas should be encouraged and supported to pool their funds to establish hydro and thermal power stations to solve energy problems.

The policy of giving favorable treatment in trade will continue to be implemented in minority nationality areas.

#### 5. Increasing Investment in the Development of Intellectual Resources

Attention must be given to educational development in poor areas, and greater investment to develop intellectual resources must be made. In a well-planned manner, primary education must be developed and popularized. Special attention must be directed to developing agricultural education in order to accelerate the training of all types of personnel needed in the development of mountainous areas.

Development of scientific, technological, and health work in mountainous areas should also be properly planned. Departments concerned should work out measures aimed at developing mountainous areas, and carry out such measures step by step.

#### 6. Strengthening Leadership

A. All provinces and autonomous regions concerned must form leading groups to take charge of inspecting and supervising implementation of various measures to aid impoverished mountainous areas.

B. State departments concerned (including planning, agricultural, water conservancy and power, forestry, commercial, communications, machine building, metallurgy, coal, chemical industry, geological, supplies, civil affairs, public health, cultural and educational, financial and others) must appoint special personnel to take charge of the task, work out specific plans for helping the poor areas change their outlook, and make sure that such plans are carried out.

C. The establishment of party and government organs in poor areas and staffing of those organs should be practical, and their administrative structure need not necessarily correspond to that of the developed areas. Administration should be simplified as far as possible so that service for the people can be provided efficiently.

D. Aside from additional investment from the state for areas designated as poor, the use of construction funds appropriated by various departments for impoverished areas should be planned by county governments comprehensively and spent on production and construction projects vital to the masses' interests.

Any financial burden or prorating imposed on poor areas must be seriously reviewed and, if any need be reduced, exempted, or retained, it should do so. Approval by provincial authorities shall be made on the basis of plans advanced by county authorities.

Additional expenditure caused by readjustment of policies, tax reduction, exemption, or development of education should first of all be taken care of by local authorities. The central government will come to their assistance only when they really have financial difficulties.

E. As to separating and relocating poor villages in other areas, all local authorities should do what they can in accordance with their financial capabilities and the guidance in this circular.

While we have the resources to change the outlook of poor areas, and the project can be accomplished as quickly as possible, the key factor lies in stronger leadership. It is the earnest hope of the central authorities that all ministries, commissions, and local party committees concerned, especially the party committees of those counties where there are poor areas, be concerned about the people's weal and woe, raise their consciousness of serving the people, and accomplish the task with all means possible. We must educate the cadres to work harder, defy hardship, study hard, pay attention to science and technology, respect the masses, respect practical work, have the courage to proceed from reality, work in a down-to-earth manner, and do all they can to guard against such undesirable work styles as doing formalistic or superficial work.

We must make sure that within the next few years forestry, animal husbandry, and the processing and mining industries be promoted in mountainous areas, that their energy and transportation problems be properly solved, and that real successes be accomplished in changing the outlook of poor areas and in achieving the grand objectives set out by the 12th party congress.

#### SUPPORT URGED FOR PEASANT-RUN RESEARCH BODIES

OW071215 Beijing XINHUA Domestic Service in Chinese 0002 GMT 6 Oct 84

["Short commentary: Encourage Peasants To Run Science Research Institutes" -- XINHUA headline]

[Text] Beijing, 6Oct (XINHUA) -- A number of peasant-run science research institutes that are full of vigor have emerged in the countryside of Youxian County, Hunan Province. The scientific research they conduct has yielded quick results and big benefits because the research is done in accordance with local needs. This fact vividly shows that the peasants have entered the stage of science and technology and that peasant-run scientific research institutes are an undertaking worthy of emulation and full of hope.

With China's rural commodity economy developing rapidly, in order to turn out agricultural and sideline products that can compete on the commodity market, it is necessary to constantly improve quality, lower production costs, create new and good-quality varieties, and so on. These objectives cannot be attained only by relying on traditional production techniques. Neither can they be achieved by relying only on the relatively few scientists and technicians to carry out scientific research. We must arouse the masses of peasants themselves to engage in scientific research.

The large number of specialized households in the rural areas, the rapid growth of various kinds of skilled hands, and the universal improvement in education and science and technological knowledge among peasants have enabled peasants to run science research institutes themselves.

Peasant-run science research institutes are a new thing. The vast numbers of professional science research units and scientists and technicians should enthusiastically help them grow.

COUNTY-LEVEL LEADING BODIES READJUSTED

OW070218 Beijing XINHUA Domestic Service in Chinese 0024 GMT 4 Oct 84

[Excerpts] Beijing, 4 Oct (XINHUA) -- The readjustment of county-level leading bodies in the county's 28 provinces, autonomous regions, and municipalities directly under the central government has basically finished. The number of the readjusted leading bodies' members is smaller than before, their average age is younger, and their educational levels are noticeably higher.

According to a survey by the Organization Department of the CPC Central Committee, the average age of county-level leading bodies' members in Beijing and Shanghai are 46.5 and 45.5 respectively. The average age of members in county-level leading bodies in the other 26 provinces, autonomous regions, and municipalities directly under the central government is under 45. Cadres under 40 account for approximately one-third of those leading members, and those over 50 make up about 14 percent. Newly promoted young and middle-aged cadres account for 53 percent of the readjusted leading bodies' members. The number of standing committee members of the readjusted county party committees and that of county head and deputy county heads have been reduced by 18 percent.

The number of cadres with professional knowledge in the newly readjusted county-level leading bodies has increased, and the educational levels of such leading members are noticeably higher than before. Standing committee members of county party committees, county heads, and deputy county heads with college education have increased from 18 percent to a current 45 percent. College graduates now account for more than 50 percent of standing committee members of county party committees, county heads, and deputy county heads in Jilin, Shandong, Jiangsu, Zhejiang, Anhui, and Fujian. County party committee secretaries and county heads with college education have increased from 4 percent to 43 percent.

LIAISON GROUP TO PROMOTE GUANGXI RECTIFICATION

HK100655 Nanning Guangxi Regional Service in Mandarin 1130 GMT 7 Oct 84

[Text] On 6 October, the regional CPC Committee Party Rectification Office sent about 90 liaison workers to various regional departments and their subordinate units to investigate the situation in party rectification in order to promote healthy development of the party rectification work.

The five specific tasks of these party rectification liaison workers in the departments concerned and their subordinate units are:

1. Under the unified leadership of the party rectification guiding groups in the departments concerned, they will carry out independent work to find out about the progress of party rectification work, and the main existing problems.
2. They will carry out in-depth investigations and studies, and extensively solicit opinions from people in various quarters. They will analyze problems and keep a close watch on the trends of development.
3. They will keep the regional CPC Committee Party Rectification Office, and the party organizations of the units which they contact informed of the actual conditions, and put forth proposals and recommendations for solving problems. They will also assist, supervise, and urge leading party groups or CPC committees in the units concerned to solve the main problems arising in party rectification, especially those problems which the masses have strongly reflected.
4. They are responsible for investigating the methods which the departments concerned have used to handle cases which the regional CPC Committee Party Rectification Office has instructed them to handle.
5. They will assist and urge various departments to expeditiously sum up and exchange experiences in party rectification work, so that they will overcome their own weak points by learning from each other's strong points, make progress together, and promote healthy development of party rectification work.

Before going to the departments concerned, the liaison workers concentrated their time and efforts on studying party rectification documents provided by the CPC Central Committee and the regional CPC Committee, the guiding principles and policies for party rectification, and the speech delivered by Comrade Song Renqiong on 28 September at a meeting attended by cadres at or above departmental head level of the institutions directly under the regional CPC Committee and government. Before their departure, Wei Chunshu, regional deputy party secretary and director of the regional CPC Committee Party Rectification Office, made an important speech to them.

HENAN'S LIU JIE MEETS CHINESE-AMERICAN BIOLOGIST

HK101045 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 6 Oct 84

[Text] Yesterday morning the provincial medical research institute held a professional forum, attended by noted Chinese-American biologist Professor Niu Man-chiang, his wife, Chang Pao-ying, and other relevant persons.

Niu Man-chiang is a native of Baoding City in Hebei Province. He is now a professor of biology at Temple University in Philadelphia in the United States. He has made marked results in the study of the history of biological science and saccharic acid.

At the invitation of the State Scientific and Technological Commission, he is now giving lectures and carrying out an inspection in our province. At the forum, Professor Niu Man-chiang expressed his own views on several questions related to biological genetics in response to the issues raised by the participants.

On Friday, Professor Niu-Man-chiang and his wife Chang Pao-ying visited the provincial Scientific and Technical Hall. That evening, provincial CPC First Secretary Liu Jie and provincial Deputy Party Secretary and Governor Comrade He Zhukang met and entertained Niu Man-chiang and his wife.

LIU JIE ADDRESSES RETIRED HENAN CADRES

HK100907 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 7 Oct 84

[Excerpts] The provincial congress of retired cadres, held by the Henan Provincial CPC Committee and the Henan Provincial People's Government, which had lasted 5 days, victoriously concluded on 7 October. Present at the closing ceremony were responsible comrades of the provincial CPC Committee, the provincial People's Government, the Military District, and the departments concerned. They included Liu Jie, Liu Zhengwei, He Zhukang, Zhao Di, Yu Yichuan, Zhao Wenfu, Wang Huayun, Zhan Jingwu, Yao Xia, Zhang Zhigang, Lin Yinghai, Hou Zhiying, Song Zhaosu, Yao Minxue, Zhang Shude, Zhang Chixia, Guo Tan, Song Yuxi, (Lin Xiao), (Yuan Long), Yan Jimin, and Ji Hanxing. Also seated on the rostrum were those elderly cadres who took part in our work during the first revolutionary civil war, including Zhang Jianshi, Hong Zhongyi, Liu Zaonan, Yang Chunfu, Zhang Fanglai, and Li Yanlin, and Wang Xiafang, honorary president of Anyang City's Concern-For-the-Next-Generation Association, who was specially invited to attend the congress.

Deputy Secretary Zhao Di of the provincial CPC Committee officiated at the closing ceremony. Secretary Liu Jie of the provincial CPC Committee made a speech at the ceremony. He praised the retired cadres for their contributions to the building of the two civilizations. He said: You fully deserve the respect of the people and the praise of the party and the government because you have unwaveringly adhered to the system governing the retirement of cadres. You are pioneers in the reform of the cadre system. You have demonstrated with your own actions that you act in unison with the party on ideological and political affairs. This is something to be widely publicized. In the march toward a new stage of the revolution, you have displayed the communist spirit of regarding national affairs as one's own duty and fighting as long as one has breath in one's body, and have wholeheartedly devoted yourselves to the four modernizations. You never stop learning and you display a staunch spirit of unremittingly forging ahead in making scientific innovations. People admiringly refer to the retired cadres as a team of workers with roots in the countryside. They are taking the leading in becoming rich and they beneficially help the new cadres. They are living Lei Fengs and living Norman Bethunes who alleviate the sufferings of the masses.

Comrade Liu Jie continued: The deeds of the elderly comrades are a reflection. People from various quarters should compare themselves with the elderly cadres and make the merits of the elderly cadres their own in order to offset their weaknesses. The retired cadres should respond positively to the written proposal presented to them by those attending the congress and the conference, attach primary importance to the cause of the revolution and the overall situation, be united in their work, thoroughly eliminate the vestiges of factionalism that have survived the Cultural Revolution, play a part in effecting a radical turn for the better in party style and social customs, and devote their efforts to serving society. In this way, they can spend their remaining years meaningfully. In the event that those cadres at their posts are too busy to discharge some tasks, the retired cadres should come to their aid. They should, in particular, devote greater efforts to educating and redeeming juvenile delinquents and to improving social customs.

Finally, on behalf of the provincial CPC Committee, the provincial People's Government, and the Military District, Comrade Liu Jie extended respects to the province's retired cadres and conveyed heartfelt solicitude to those elderly cadres who have become ill from constant overwork, and hoped they would get well soon. In addition, he also extended his heartfelt respects to the families of the elderly cadres and people from various quarters. They have supported the elderly cadres in their work.

HUBEI STATION URGES SPEEDING UP ECONOMIC REFORM

HK041215 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 3 Oct 84

[Station commentary: "Upgrade the Level of Policy Decision Management, Speed Up Economic Reform"]

[Text] The PRC has victoriously completed 35 years. The Chinese people are now meeting a new upsurge of reforming the economic system and other work.

The tortuous course over the past 35 years since the founding of PRC has provided us with much valuable experience. People have realized that whether a policy decision is correct or not concerns the success and failure of our cause. If a policy decision is correct, we will make rapid progress, just like smooth sailing. If a policy decision is wrong, we will suffer failure, causing economic losses.

Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee and the State Council have adopted a series of correct policies that conform with China's conditions, thereby resulting in a prosperous and invigorated situation throughout the country. China has now appeared in the international arena by opening to the outside world and enlivening domestic economy. An upsurge of urban reform is imminent. Decisionmakers and management executives at various levels and in various trades have many new things to learn and master. Along with the in-depth development of reform, more new problems will emerge and we will thus be required to learn new management experience and attach importance to scientific policy decision.

We are now living in an era of a new world-wide technological revolution. If we want to upgrade the level of policy decision management and properly carry out management, we must pay attention to studying the latest information on the technological revolution. Information can create value and can be exchanged for knowledge and is also a resource. Only by making correct decisions on the basis of studying information, is it possible to achieve new economic results.

We are now living in a good time when remarkable achievements have been made in rural reform and the reform of urban economy and other work is being carried out in an all-round manner. Making decisions means we must draw successful experience from the reform and properly resolve all new problems which may arise in the reform, thus pushing forward healthy development of the reform.

We are now living in an era in which the people throughout the country are high-spirited and vigorous, their enthusiasm for building the four modernizations is being fully expressed, and their latent intelligence and human resources are being exploited. We must help them realize their potential and turn them into a material force by making correct policy decisions. Only thus will a new situation be created.

The 3d Plenary Session of the 11th CPC Central Committee has reestablished an ideological line of seeking truth from facts, all proceeding from reality in doing everything, and linking theory with practice, thereby giving full scope to the emancipation of our minds and fundamentally upgrading the standard of policy decision management at various levels and in all trades.

We have every reason to believe that, provided we march forward in the direction indicated by the 3d Plenary Session and the 12th CPC National Congress, adhere to the ideological line of seeking truth from facts, constantly upgrade our level of policy decision management, vigorously reform outmoded conventions and bad customs, and explore a road of building socialist modernization with Chinese characteristics, we are bound to create a new situation and attain still higher goals.

HUNAN HOLDS OVERSEAS CHINESE AFFAIRS CONFERENCE

HK090806 Changsha Hunan Provincial Service in Mandarin 1100 GMT 6 Oct 84

[Text] The Second Hunan Provincial Returned Overseas Chinese Congress and a conference on Overseas Chinese affairs assembled in Changsha on 5 October. Present at the opening ceremony were party and government responsible comrades, including Jiao Linyi, Wang Zhiguo, Luo Qiuyue, Zhou Zheng, Tong Ying, and (Yang Mingde). Zhuang Yanlin, deputy director the Overseas Chinese Affairs Office under the State Council, personally attended to congratulate the congress and the conference. Zhang Chukun, adviser to the All-China Federation of Returned Overseas Chinese, sent a congratulatory message.

At the opening ceremony, Secretary Jiao Linyi delivered a speech. He said: In our province, there are many returned Overseas Chinese and families of Overseas Chinese. They are a force which is not to be ignored. As we are pursuing a policy of opening the country to the world, it is particularly important to properly handle Overseas Chinese affairs. Party committees at all levels should pay close attention to handling Overseas Chinese affairs and should devote vigorous efforts to implementing the policy toward Overseas Chinese in order for them to cheerfully serve the four modernizations.

The conference will study the relevant documents issued by the central authorities and discuss the question of how to create a new situation in Overseas Chinese affairs work under the new circumstances. In addition, the conference will also elect the second provincial committee of the Hunan Provincial Federation of Returned Overseas Chinese.

SMALL BUSINESS REFORM IN CHONGQING CITY

LD101722 Beijing XINHUA in English 1249 GMT 10 Oct 84

[Text] Chongqing, October 10 (by XINHUA correspondent Xu Yidao) -- Authorities in Chongqing, who are pioneering China's urban economic reform, have taken another bold step by allowing workers at 4,000 state-owned small businesses to run them on co-operative lines.

Most of these shops, cafes, groceries and restaurants are staffed by no more than 30 people, and make a yearly profit of less than 150,000 yuan each. Operating under an economic responsibility system, they are now obliged to contribute a prefixed proportion of their after-tax profit to their higher authorities, but in return are allowed to retain whatever remains for their own use.

The retained portion goes three ways, according to Mayor Yu Hanqing. About 30 to 40 percent of it is used to expand business operations, some goes to improve fringe benefits and the rest to reward better workers.

Chongqing, in Sichuan Province, is China's biggest city and the leading industrial center in southwest China. It is well known -- among other methods being tried out to restructure its economy -- for its newly-established trading centers which serve the needs of the whole country.

Chongqing authorities in July began experimenting with the new economic responsibility system in 90 small businesses, which soon proved to be successful. Then work was done to spread it step by step. The municipal government decided last month to practise it citywide, in 4,000 businesses altogether.

Until recently, all state-owned businesses turned over all their profit to the government and, in return, relied on the government for subsidies to cover their losses.

This practice of egalitarianism -- or better known to the Chinese as one of businesses eating from the "big pot" of the state -- is now condemned for causing staff laziness and poor economic performance. "Some of the businesses were so badly run that they could hardly make enough money to pay their workers," Mayor Yu said.

Under the new system, however, businesses face economic penalties including fines for losses caused by poor management. Leaders of businesses in the worst cases may even be sued.

Contracts signed between businesses and their higher authorities contain special articles to protect consumer interests. In the case of restaurants, for example, such rules specify food quality and hygiene requirements as well as profit rates to prevent overcharging of customers.

"While stimulating business to improve, the new system also compels them to do so," Mayor Yu said. The method is paying off in improved services and longer opening hours for the small businesses, he added. One example is Ruyi restaurant, one of 90 chosen in July to try out the new method. The restaurant, which had been deficit-laden, made a net profit of 5,000 yuan and reduced its operating costs by 5.59 percent in the first 40 days under the new method.

Manager Li Zhengfu attributed the success to a job responsibility system for the restaurant's staff of 11 including three temporary workers. Under the system, the monthly bonus varies according to individual effort. "The new method has increased our decision-making power, making it possible for the staff to give full scope to their initiative," li said.

QIANG XIAOCHU AT JILIN NATIONAL DAY PERFORMANCE

SK021110 Changchun Jilin Provincial Service in Mandarin 1030 GMT 1 Oct 84

[Excerpts] Changchun City held grand celebrations in its parks today to warmly mark the 35th anniversary of the founding of the PRC.

Leading comrades of the provincial and Changchun City party, government, and Army organs and all members of the delegation from Chagang Province in the DPRK, headed by its leader Kim Chong-ho, joined the masses in the park for the celebrations. On the pleasure-boat, Qiang Xiaochu, first secretary of the provincial CPC Committee, watched model plane demonstrations and talked cordially with Long Xiedou, high-ranking engineer and deputy director of the Changchun institute of optics and precision instruments, and Li Zhiguo, deputy director of the Changchun No 1 vehicle plant and chief of its product model designing headquarters.

Also joining the celebrations at the Nanhu Park were the PLA units stationed in Changchun and the broad masses of commanders and fighters of the provincial Military District, and the Armed Police Force stationed in Changchun.

Leading comrades of the province and Changchun City, including Zhao Xiu, Li Diping, Yu Ke, and (Wang Li), also celebrated the festival together with the people.

Governor Zhao Xiu visited the activity site of the model workers visiting delegation to warmly shake hands with model workers and talk with Chen Zhitong, chief of the Tonghua artificial fur plant.

Attending today's celebrations in parks were leading comrades of the province and Changchun City party, government, and Army organs, including Qiang Xiaochu, Zhang Gensheng, Gao Di, Zhao Xiu, Zhao Nanqi, Lieu Jingzhi, Wang Daren, Li Diping, Yu Lin, Yu Ke, Zhaubqhiyig, Song Jiehan, Huo Mingguang, Wang Xianjin, Wang Zhongyu, Wang Guanchao, Wang Jiping, Ren Qingyuan, (Yue Lin), Yang Zhantao, Liu Cikai, Cheng Shengsan, Wu Dao, Cui Cai, Wang Jiren, Dong Su, Renqin Zhamusu, Zhu Jinghang, Wang Jinshan, (Gao Wen), (Cui Lin), Zhang Fengqi, Guan Mengjue, Miao Zhuxian, He Yunqing, Geng Yuelun, (Cheng Xingying), (Zhu Duanfa), (Peng Nianfu), (Li Shuanghai), (Wang Rui), Xiao Chun, (Wang Li), (Chen Zhenchang), (Ma Hongxin) and (Liu Changyou).

JILIN'S QIANG ATTENDS RETIRED CADRE FORUM

SK100227 Changchun Jilin Provincial Service in Mandarin 1030 GMT 9 Oct 84

[Excerpts] After a 6-day session, the experience and exchange meeting of the province with the participation of veteran cadres who had retired or were on convalescence leave concluded in Changchun City today. This is the first time our province has organized these veteran cadres to get together to exchange their experience gained in past activities. The great majority of more than 160 veteran comrades who have retired or are on convalescence leave come from various counties, districts, townships, and from plants, mines, enterprises, establishments, and units at grassroots levels throughout the province.

At the meeting, 31 representatives on behalf of collectives and individuals delivered speeches to introduce their experience gained in their activities.

The leading comrades of the provincial CPC Committee, including Qiang Xiaochu, first secretary of the provincial CPC Committee, attended the meeting and made speeches. Also speaking at the meeting were Zhang Gensheng, secretary of the provincial CPC Committee, and Wang Xianjin, Standing Committee member of the provincial CPC Committee and director of the organizational department under the provincial CPC Committee.

The meeting urged party organizations at all levels to further enhance their leadership over the work concerning veteran cadres, to enthusiastically show concern and take care of veteran comrades in every aspect, and to do a good job in implementing political and living arrangements for them. Efforts should be made to actively create conditions for successfully making arrangements for their study and livelihood and for their activities of literature, art, and health. We should exert efforts to make the activities rich and colorful in the remaining years of almost 100,000 cadre who have retired or are on convalescence leave throughout the province.

During the meeting, participating veteran comrades also visited the Changchun No 1 Motor Vehicle Plant and the Changchun Film Studio.

LIAONING RIBAO VIEWS THREE TYPES OF PERSONS

SK290509 Shenyang LIAONING RIBAO in Chinese 10 Sep 84 p 1

[Commentator's article: "To Cover Up by Pretending To Have the Love of Sons and Daughters Must Never Be Allowed" -- refuting the absurdity of "the son being punished for the mistakes of the mother" "spread by the "three types of persons"]

[Excerpts] The "three types of persons" are opposing the elimination of the "three types of persons." Their methods of opposition, however, are different. Some openly clamor for "meeting again 20 years later." Others feel they have been wronged and spread the absurdity that "the son is being punished for the mistakes of the mother." What they mean is clear. During the "Great Cultural Revolution," the party committed mistakes and they are the "sons" of the party. And in straightening out their serious mistakes or crimes, they feel wronged for "being punished for their mother." Comrades, never be confused by such complaints about injustice.

As we all know, the "three types of persons," who oppose and endanger the party, are an ambitious political force. Now they compare the party to their "mother." However, how did they treat their "mother" at that time? Did they ever think about the party and the people when they stirred up trouble, created one disorder after another, and made "earthquakes" everywhere; when they cried out for "carrying out the revolution by kicking party committees aside" and tried wholeheartedly to seize power for themselves; and when they felt happy to create a hard time for our party's fine sons and daughters and felt proud to suppress the masses? Their metaphor of the "mother" and the "sons" is itself ridiculous and only proves to be false and cunning.

In making an examination and comparison for the party rectification, we party members who have gone through the "Great Cultural Revolution" should specifically analyze ourselves to see which of our deeds were right and which were not. It is not right to feel that our own mistakes were unreproachable or, even, more correct just because the overall situation at that time was wrong.

"To be punished for the mistakes of the mother" is sheer nonsense. The party has never concealed its mistakes, including those committed by its leading persons. Did it not write about its understanding of the questions concerning the "Great Cultural Revolution" in the resolution of the 6th Plenary Session of the 11th CPC Central Committee and make it public? Did it ever ask anyone to be punished on its behalf? The party loves its own sons and daughters. The principles for eliminating the "three types of persons" is that we should both be resolute and prudent and should neither let anyone escape unpunished nor magnify the definition of these persons. The mistakes of a general nature due to the influence of the "leftist" ideology have not been considered a problem in carrying out the elimination. Even the people who committed serious mistakes during the "Great Cultural Revolution" are considered different from the "three types of persons." Does this not show the party's love for its own sons and daughters? The party will never abandon its own sons and daughters except for the very few who themselves want to break off relations from the party.

LI ZIQI SPEAKS ON ADJUSTING GANSU RURAL ECONOMY

HK030209 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 2 Oct 84

[Text] On the morning of 28 September, provincial CPC Committee Secretary Li Ziqi made an important speech at a forum of rural work department heads on the focal points in rural work next year. He said: Next year we must carry out still more conscientiously the work of readjusting the agricultural economic structure, and further promote the development of commodity production. The grain area must not be expanded, however, it is necessary to improve unit yields and total output. In addition, grain land must be returned to forestry and animal husbandry in a planned way. We must continue to make progress in sowing grass and trees on the basis of the achievements of this year. We must strive to do better every year.

We must attach importance to rural education and to the importation and development of science and technology. In particular, we must bring into play the role of the existing science and technology personnel. We must adopt various channels to cultivate intelligent young people, and select and promote grassroots cadres and scientific talent from among them.

Comrade Li Ziqi said: Although we have scored quite a number of achievements in work this year, there are also weak links in various places, which cannot be neglected. In particular some areas have been hit by natural disasters this year. We must make proper arrangements for the masses' livelihood there, and organize them to carry out self-salvation through production.

Li Ziqi demanded that party and government departments at all levels strengthen leadership over rural work. He said: In strengthening leadership, it is essential to correct the guiding ideology. The guiding ideology in rural work is to embrace the idea of developing commodity production and large-scale agriculture. We must have the spirit of reform.

Comrade Li Ziqi stressed in conclusion: In the excellent situation, the leaders at all levels must remain modest and prudent and do more to find out the discrepancies. It is necessary to change the leadership style, ensure that all policies are properly implemented, and continue to create a new situation in rural work.

GANSU CADRES PUNISHED FOR ABUSING INTELLECTUALS

HK091523 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 6 Oct 84

[Text] Some time ago the party committee of the provincial Building Materials Bureau reorganized the former party committee of the Lanzhou plate glass plant, which had committed serious mistakes. At the same time it publicly announced the rehabilitation of Zheng Manqing and her husband, who had suffered persecution, and compensated them for their losses. It also decided to deal with the former leading cadres of the plant, who shielded factionalist forces and refused to implement the party's policy toward intellectuals, and people who committed serious mistakes during the Cultural Revolution.

The Lanzhou plate glass plant is a large building materials enterprise with more than 3,000 workers and staff members. There are more than 240 technicians at the plant. During the 10 years of turmoil, they were subjected to all kinds of abuse. Many of them were sent to temporary detention centers, where they were beaten so harshly that some of them went insane or were crippled. Zheng Manqing, a woman engineer of the plant's capital construction section, and her husband Zhang Jingmin left the plant due to persecution.

After the smashing of the gang of four, they returned to the plant. They vigorously supported the party's line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee and were very conscientious in their work. However, they were still discriminated against by the factionalist forces at the plant. In November 1981, Li Kezhong, a plant cadre who committed the mistakes of beating, smashing, and looting during the Cultural Revolution, openly beat Comrade Zhang Jingmin, who was working as a teacher in the middle school established for the sons and daughters of workers and staff members at the plant. Swollen with arrogance, he beat and cursed Zhang. Starting in 1981, Zheng Manqing and her husband sent letters to the provincial and central authorities on numerous occasions, complaining about the persecution they were suffering. However, the former leading body of the plant assumed a perfunctory and indifferent attitude toward the instructions of the higher authorities on investigating and dealing with the problem, so the problem was not solved for a long time. In May of this year the party committee of the provincial Building Materials Bureau sent an investigation group to the plant on two occasions to conduct serious investigation and study on the details of the case. In accordance with the stipulations of the party Constitution, the reorganized plant party committee seriously punished Li Kezhong for committing physical assault. At the same time, it conscientiously implemented the party's policy toward intellectuals by boldly promoting and using intellectuals. Of the 59 scientific and technical cadres recently promoted at the plant, intellectuals account for 64.4 percent, and 5 of the 7 plant leaders are college or secondary technical school graduates.

#### QINHAI'S ZHAO HAIFENG SPEAKS AT CADRE MEETING

HK081057 Xining Qinghai Provincial Service in Mandarin 1100 GMT 6 Oct 84

[Text] The provincial CPC Committee held a meeting at the provincial people's auditorium yesterday, which was attended by party-member cadres above department head level from institutions directly under the provincial CPC Committee and government. The meeting mobilized the participants and drew up plans in preparation for spending 2 weeks in October providing the broad masses of party members and cadres with profound and positive eduction on thoroughly negating the Great Cultural Revolution. The meeting was presided over by Comrade Ma Wanli. Comrade Zhao Haifeng and Comrade (Zhang Guozeng) spoke at the meeting.

On behalf of the provincial CPC Committee, Comrade Zhao Haifeng delivered a speech entitled "Conduct Profound Education in Thoroughly Negating the Great Cultural Revolution." In the speech he mainly dwelt on the following four issues:

1. We should fully realize the importance and necessity of thoroughly negating the Great Cultural Revolution.
2. The work of thoroughly negating the Great Cultural Revolution should be integrated with reality. We should further unify our thinking with regard to important matters of principle.
3. To thoroughly negate the Great Cultural Revolution, we should be firm and unshakable in doing the work of weeding out people of three categories.
4. We should persist in carrying out party rectification according to strict standards and conscientiously grasp the work at this stage of the rectification and correction of defects.

Comrade Zhao Haifeng pointed out: The line, guiding principles, and policies of the party adopted since the 3d Plenary Session of the 11th CPC Central Committee are based on the thorough negation of the Great Cultural Revolution. They are the products of bringing order out of chaos.

We should realize that the leftist influence is still a main obstacle to the present various reforms and economic development. Only by thoroughly negating the Great Cultural Revolution in theory and practice, in ideology and feelings, in principles and specifics, and in words and deeds, and eliminating the leftist influence can we ensure the implementation of the correct line of the party, persist in carrying out reforms, and create a new situation in work.

Comrade Zhao Haifeng added: The work of thoroughly negating the Great Cultural Revolution should be integrated with reality. We should pay attention to truly solving various important problems of principle. We should eliminate factionalism ideologically, politically, and organizationally. He stated: Judging from various problems raised by some party members, cadres, and masses, we should further unify our thinking in the following ways:

1. We should realize that mass organizations of various factions in the Cultural Revolution were wrong as a whole. However, with regard to specific people and matters, we should make a specific analysis of them. We should not lump them under one heading.
2. We should realize that most cadres and masses who joined various factions during the Great Cultural Revolution are good or comparatively good.
3. We should thoroughly negate the Great Cultural Revolution in light of the reality in our province.

Comrade Zhao Haifeng stressed: Weeding out people of three categories is an important sign showing that party rectification is not reduced to mere formality and is an important aspect of thoroughly negating the Great Cultural Revolution. While conducting profound education in thoroughly negating the Great Cultural Revolution, party organizations at all levels should continue to firmly grasp the work of weeding out people of three categories. In accordance with the instructions issued by the central authorities and requirements set by the provincial CPC Committee, they should be firm and unshakable in thoroughly and effectively handling this matter of primary importance which concerns the purity of the party organizations and the long-term peace and stability of our country. While dwelling on the matter of doing good work at this stage of the rectification and correction of defects, Comrade Zhao Haifeng emphasized: The work of rectification and correction of defects should be grasped in an all-round way. With regard to specific localities and units, they should place particular emphasis on certain aspects in light of local conditions. They should give prominence to what is significant, solve problems in a profound and thorough way, and achieve better results. He pointed out that we should strive to complete the following two tasks well:

1. We should spend 2 weeks providing the broad masses of party members and cadres with positive education to profoundly and thoroughly negate the Great Cultural Revolution.
2. We should pay attention to closely integrating positive education on thoroughly negating the Great Cultural Revolution with rectification and correction of defects. When the education has been basically completed, we should mobilize the masses to concentrate their efforts on exposing and handling severe bureaucracy in their own units and the matter of seeking private gain by abusing power.

#### WANG ENMAO TALKS AT XINJIANG ANIMAL HUSBANDRY FORUM

HK091319 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 5 Oct 84

[Text] Wang Enmao, first secretary of the regional CPC Committee, delivered an important speech at the recent regional forum on animal husbandry, demanding that CPC Committees and governments at all levels regard the task of building Xinjiang into one of the important animal husbandry bases of the country as an important matter of the four modernizations in the region, put it in a very important place, and really grasp it firmly and well.

Comrade Wang Enmao dealt with 10 points altogether:

1. It is necessary to build the region into one of the important animal husbandry bases throughout the country. Comrade Wang Enmao said: Xinjiang has very favorable conditions for developing animal husbandry. It can be said that the region is richly endowed by nature. The proportion of animal husbandry in our region's national economy is very large. Animal husbandry is an extremely important part of our region's national economy. Doing well in livestock production is of important significance for developing the region's economic and construction work, increasing herdsmen's income, and improving herdsmen's livelihoods.
2. It is essential to speed up the development of animal husbandry in the region. Comrade Wang Enmao said: The second enlarged plenary session of the third regional CPC Committee recently decided to increase the region's gross industrial and agricultural output value by 600 percent by the end of this century. To ensure that we increase it by 600 percent or more, we can hardly succeed if we develop animal husbandry with the same speed at which animal husbandry developed in the past. Therefore, we must develop animal husbandry with a speed faster than the previous speed of development. We can then guarantee the fulfillment of our strategic target.
3. It is imperative to popularize and perfect all forms of the livestock production responsibility system. The most important and most basic point of popularizing and perfecting the livestock production responsibility system is to develop the livestock productive forces. The second point is to increase the number of livestock, to improve the quality of livestock, and to raise the economic results of animal husbandry. The third point is to increase the commodity rate of livestock. The fourth point is to increase herdsmen's income and to improve their livelihood so as to enable them to get rich as soon as possible. The fifth point is to arouse herdsmen's enthusiasm. So long as we can fulfill these requirements and this aim, we can implement whatever forms of the livestock production responsibility system. Comrade Wang Enmao emphatically said: To popularize the livestock production responsibility system, we must continuously and penetratingly do well in investigation and study. We must not implement the production responsibility system when we hear from other people that it is a good production responsibility system. In line with local conditions and in light of the local situation, we must adopt different forms of the production responsibility system. We must not demand everything in uniformity. We must consult with the masses, must take the mass line, must allow them to state their views, must not issue an order to the masses, and must not force or restrict them.
4. We must regard animal husbandry as the main work and must carry out diversification. We must develop sideline production in an all-round way. If we do not link animal husbandry with agriculture, forestry, fisheries, and sideline production, animal husbandry cannot develop greatly. When we develop animal husbandry, it is correct to regard developing the production of sheep as the main work. However, we must also pay attention to development of the production of oxen, particularly milk cows. We must also develop the production of horses. We must also raise pigs. In particular, the production and construction corps must vigorously develop pig-breeding. It can also develop the production of chickens, ducks, rabbits, and other small livestock.
5. We must attach importance to doing a good job in building the five goods in the pastoral areas. The five goods now put forward by many places in the pastoral areas are good herds of livestock, good grassland or relatively good forage grass bases, good water conservation facilities, good roads, and good livestock sheds. We engage in building five goods in the pastoral areas not because it is good-looking but because we want to promote the development of animal husbandry and the building of material civilization and spiritual civilization in the pastoral areas.

6. We must build good fodder and forage bases. We now have artificially-made grassland of only some 4 million mu, which is a very very small amount. We must build more good grassland for livestock to live through winter and spring. The key to the building of grassland lies in water conservancy construction.

7. We must develop fodder plants and fodder companies. When a bumper grain crop is reaped and when there is plenty of grain, grain must be mainly used to develop animal husbandry. All prefectures, autonomous prefectures, cities, and countries must run fodder plants, must develop the fodder industry, and must set up fodder companies.

8. We must develop the livestock product processing trade. At present, the livestock product processing industry in our region is very backward. Many livestock products have been wasted for nothing. We must make full use of all livestock products, must process them, and must turn waste to valuables.

9. We must develop animal husbandry science and technology. To strengthen animal husbandry scientific and technological work, we must first attach importance to reinforcing animal husbandry scientific and technological organs. Second, we must pay more attention to training animal husbandry scientific and technological talents. Our region's institutes of agriculture must strengthen their departments of animal husbandry. We must also consider running some animal husbandry training schools to create conditions for training more and better animal husbandry scientific and technological talents.

10. We must strengthen the leadership of the CPC Committee and the government over animal husbandry. Under the unified leadership of CPC committees and governments at all levels, our departments of agriculture, industry, communications, finance, trade, culture, education, public health, science, technology, and meteorology must support the development of animal husbandry so that our region's animal husbandry can develop in a down-to-earth manner.

I. 11 Oct 84

C H I N A  
HONG KONG MEDIA ON CHINA

W 1

MACAO'S MA MAN-KEE REPORTS YE JIANYING'S HEALTH

'Confined to Bed'

HK110402 Hong Kong MING PAO in Chinese 11 Oct 84 p 2

["Special Dispatch" from Macao: "Ma Man-kee Says Ye Jianying Is Confined to Bed With Pneumonia"]

[Excerpts] Ma Man-kee went to Beijing on 3 October to attend a meeting of the China International Trust and Investment Corporation. He met with Deng Xiaoping on 6 October. Also present at the meeting were State Councillor Wang Zhen and Ma Man-kee's wife Law Pak-sum. The next day Ma Man-kee visited Ye Jianying. Ye was lying in bed then but was in very good spirits.

Ma Man-kee said that because of the rubber tube down his throat, Marshal Ye found it inconvenient to speak, but he was in very good spirits and eats more than 1 jin of food every day.

Since the beginning of this year when he contracted pneumonia [zi jin nian nian chu jiu huan shang fei yan 5261 0093 1628 1628 0443 1432 1891 5151 3507], Ye Jianying's temperature has remained at 36 degrees centigrade. Ma Man-kee visited Ye's home for about half an hour. Also present on that occasion were Ye Jianying's two sons, Ye Xuanping and Ye Xuanji, and his daughter Chumei.

'Recuperating From Pneumonia'

HK110400 Hong Kong WEN WEI PO in Chinese 11 Oct 84 p 1

[Report: "Ma Man-kee Reveals That Marshal Ye Contracted Pneumonia Recently and That He Is Recovering and in Good Spirits"]

[Text] Ma Man-kee, president of the Macao's Chinese General Chamber of Commerce, after returning to Macao from Beijing met with this reporter at 1700 yesterday at the Chinese General Chamber of Commerce and talked about his meeting with Deng Xiaoping, member of the CPC Central Committee Political Bureau Standing Committee and chairman of the Advisory Commission.

Ma Man-kee also told this reporter: At noon on 7 October, my wife, my daughter, and I visited Ye Jianying, member of the CPC Central Committee Political Bureau Standing Committee, who was recuperating at home after having contracted pneumonia. He was still in good spirits and his memory was not bad. We left after visiting for over half an hour. This should be conveyed to the Hong Kong and Macao compatriots so that they can feel at ease.

Ma Man-kee went to Beijing on 3 October to attend a symposium on economic cooperation between China and foreign countries sponsored by the China International Trust and Investment Corporation and returned to Macao yesterday afternoon.

ARTICLE DISCUSSES 12 SEP GUANGZHOU BLAST

HK100938 Hong Kong CHENG MING in Chinese No 84, 1 Oct 84 pp 38-39

[Article by Yang Hui: "The Case of the Guangzhou Station Blast"]

[Text] On the afternoon of 12 September 1984, a mysterious blast occurred at the Guangzhou Railway Station.

A Smoking Bag

That afternoon, a woman from Foshan, while sitting in a waiting room of the railway station, suddenly discovered that smoke was rising from a black leather bag near her seat.

She thought that someone might have carelessly dropped a cigarette butt on the bag and caused a fire, so she went over to have a look. But she was frightened out of her wits when she saw what was in the bag: Gusts of dense smoke rose from a pack of explosives and spread the smell of powder in the air.

The woman rushed to tell a policeman what she had seen. The policeman immediately dashed into the waiting room and shouted to all the passengers there to scatter and lie down. He calmly opened the bag and found that the fuse had burnt down to a few inches. Carrying the bag, he darted out of the waiting room, and threw the bag into an empty space. At that moment, the charges in the bag exploded and the shock waves broke the windowpanes in the station. But fortunately, no one was injured in this incident. This brave and resourceful policeman thus saved many lives.

#### Arresting More Than 1,000 People From Other Provinces

Twenty minutes after the explosion, detectives from the Guangzhou City Public Security Bureau, the public security department of the railway bureau, and the public security department of the provincial government rushed one after another to the scene of the explosion. They picked up fragments of the explosive device and checked all suspicious signs. At the same time, a large number of public security personnel were rapidly dispatched to guard the railway station and the nearby bus station. All passengers who entered and left the stations were subject to examination, and suspicious people were immediately detained by the police who did not need to explain the reason for the detention.

According to an analysis by the ammunition experts, the explosive was a pack of black powder weighing 1 to 1.5 kilograms. However, the device failed to explode quickly because the blasting fuse was too long, and this made its presence known. This clue showed that the criminal had a certain knowledge of demolition but was not experienced enough.

According to the recollection of some passengers at the scene, the person who sat near the place where the explosive pack was discovered was a man in his 30's from a northern province. Some people also told the police about the build, clothes, and other features of the criminal suspect.

Leading cadres of the provincial and Guangzhou City authorities held an urgent meeting that very night to study the details of the case. Then they decided to start a mass roundup action throughout the province. As a result, in a single night, public security bureaus in all parts of Guangdong Province arrested more than 1,000 suspicious characters, almost all of whom were men speaking with a northern accent.

#### The Wide Gap Between the Rich South and the Poor North

To the time of writing this article, the real criminal has not been discovered, nor has his motive been ascertained. However, through an in-depth investigation of the details of the case, the department concerned has reached this conclusion: This blast at the Guangzhou Railway Station was by no means insignificant mischief.

Surprisingly, the case has drawn the attention of relevant authorities to the issue of the wide gap between the rich south and the poor north. One of my friends, who is a section chief in a judicial organ, told me that the person responsible for the explosion was very likely to be a young man from a northern province who resented the wide gap between the rich in the south and the poor in the north.

This problem can be traced to Guangdong's "celebrity" in economic development in the last 2 years.

**The Latent Mentality of "Antagonism Between the North and the South"**

In recent months, more and more people have come from northern provinces to Guangzhou. Among these visitors many are cadres from Yunnan, Sichuan, Guizhou, Henan, Hubei, and even Qinghai. Making use of the opportunity of "business trips," they want to experience the bustle and prosperity in Guangzhou and Shenzhen. Others are peasants and town residents from northern provinces. They have heard a lot of exaggerated stories about Guangzhou and Shenzhen and are now trying to make a fortune in these "gold mines." This state of affairs is quite similar to the case in which a large number of Guangdong residents tried hard to steal into Hong Kong as illegal immigrants a few years ago, as they believed that it was a "paradise" with gold spread everywhere.

However, the Public Security Department of the Guangdong Provincial People's Government does not regard these northerners as "welcome tourists," because they have disrupted law and order in various parts of the province. Because of these visitors, the traffic in Guangdong has become more disorderly, and more beggars and more garbage have appeared in the streets. Some of them even refuse to buy tickets when riding in buses. Residents of Guangzhou also give the cold shoulder to these northerners, because in their eyes the northerners are dirty, greedy, and countrified.

However, the visitors from the north have different feelings. They think that Guangdong is full of the stink of money. After returning home, some cadres have even made a lot of fuss about the "capitalist restoration in Guangdong." People from other provinces generally feel that the living standards of Guangdong people are far higher than those in their home areas, so they are likely to be jealous.

In particular, they are offended by the fact that they are treated coldly everywhere in Guangdong. Some of them have even been cheated, swindled, or robbed. Some girls from other provinces have been lured with money to act as secret prostitutes and they hang about the railway station and along the Zhu Jiang embankment.

It is said that a young man from Hubei stuck a note on the message board of the railway station when he left Guangzhou, bitterly condemning Guangdong's capitalist restoration which caused him to lose 700 yuan, but no one knows how he lost the money. Some organizations in northern provinces have even laid down an "internal stipulation" that cadres making business trips to Guangdong cannot go out alone. This stipulation recalls the memory of similar stipulations of China's representative organs in foreign countries during the 1970's. How stupid these stipulations look now! However, the above instances pale in significance when compared with the huge slogan -- "Resolutely resist the spiritual pollution from Guangdong" -- which was once hung along the Chang Jiang Bridge in Wuhan.

This latent mentality of "antagonism between the north and the south" is spreading quietly. Ordinary people in Guangzhou have long had an ominous presentiment that something bad would happen, and this feeling has finally come true -- the bad thing was the explosion at the railway station.

**Cadres' Resentment and Discontent**

The fact that people must not overlook is that quite a few cadres in interior provinces still frown upon or even oppose the open-door policy.

An old soldier of the Red Army, who is also a member of the CPC Central Advisory Commission, recently said: "There is no lack of people who still resist the central authorities' open-door policy in all parts of the country. These people include even some members of the CPC Central Committee. They stir up trouble behind the backs of the central leadership by resorting to the practices prevailing during the Cultural Revolution."

"How can we allow this to go unchecked? We must focus our attack on ultra-leftism and must let them know that ultra-leftism is no better than rightism!"

People in Hong Kong and Macao may still remember Deng Xiaoping's inspection tour in the Shenzhen, Zhuhai, and Xiamen Special Economic Zones earlier this year. Deng's purpose in making that tour was to make an open "declaration": Chinese-style socialism that I am pursuing is certainly good!

When Deng Xiaoping first presented the proposal for establishing some special economic zones in 1979, the idea was opposed by some conservatives. At a meeting of the party's Central Standing Committee, some people said: "Is this not the same as establishing concessions to benefit foreigners? Is this not a demonstration of the capitalist restoration?"

It was after making great efforts that Deng Xiaoping and his supporters succeeded in establishing four special economic zones in Shenzhen, Zhuhai, Shantou, and Xiamen. This year, they again overcame the opposition's pressure and took a firm step to open another 14 coastal cities. Obviously, the coastal cities have benefited from the open-door policy, but the interior areas can only stand aside and helplessly watch other areas becoming rich. Although they also have the right to do business with foreigners, their unfavorable geographic position handicaps them badly in the competition with coastal areas. This thus causes the widening difference in wealth between various areas.

#### The Central Authorities' Remedial Measures

To deal with this problem, the central leadership has adopted some remedial measures, such as allowing interior provinces to organize trade delegations to do business in Hong Kong, Macao, or Japan, and giving them more opportunities to export their goods so that they can earn more foreign exchange and import more foreign goods. Last year and earlier this year, such provinces as Sichuan, Heilongjiang, Hubei, Hunan, Guizhou, and Jiangxi dispatched their respective trade delegations abroad to do business, each earning millions of dollars of foreign exchange.

However, as far as ordinary people in the interior areas are concerned, it is hard to say whether they have benefited from the open-door policy. As a matter of fact, their living standards remain far lower than those of people in coastal areas. That is why they feel resentful and depressed.

To deal with the crisis caused by the "north-south antagonism," the central leadership has recently adopted a series of measures: On the one hand, it launched the second high tide of the drive to crack down on criminal activities; on the other hand, it has allowed the northern provinces to expand the volume and scope of foreign trade so that they can gain more benefits from the open-door policy. This will also help narrow the gap between the wealth of the coastal areas and the poverty of the interior areas. However, since the sweet dew of the open-door policy can be tasted only by people of high social status and those living in large cities, when will it also moisten ordinary people in all parts of country? It seems that it will still take some time to realize this.

#### CPC'S YU WEN, DELEGATION ARRIVE IN HONG KONG

HK080252 Hong Kong SOUTH CHINA MORNING POST in English 8 Oct 84 p 1

[Text] A Chinese "propaganda" delegation was not so keen to spread the word on its visit to Hong Kong. The delegation -- made up of officials from the Communist Party's Propaganda Department and the Hong Kong and Macao Affairs Office -- arrived here yesterday. The seven-member group was led by Mr Yu Wen, the No 2 man in the Propaganda Department.

Other prominent members are Mr Gao Liang, director of the External Affairs Bureau of the department, and Mr Rong Kang of the Hong Kong and Macao Affairs Office. Mr Gao, the delegation spokesman, said they had come to Hong Kong for business studies, visits and sight-seeing.

He would not say who the delegation would meet or how long it would stay. However, it is widely believed that the delegation is on an unofficial factfinding mission which will last a month. Mr Gao evaded questions on whether the delegation was to gauge Hong Kong's reaction to the draft agreement.

The fact that the delegation comprised officials specializing in propaganda and Hong Kong affairs has led to the belief that the visit is connected with publicizing China's role in Hong Kong. The delegation members are expected to make extensive contacts with a wide cross section of the community. It is understood that the delegation will carry out its mission quietly. The group is here at the invitation of the local branch of the NEW CHINA NEWS AGENCY. The group was greeted at the airport by NCNA officials including Mr Qi Feng, vice-director; Mr Niu Chao, deputy secretary-general; and Mr Han Li, deputy editor-in-chief.

#### CHENG MING VIEWS POLITICAL CYCLES IN PRC

HK100841 Hong Kong CHENG MING in Chinese No 84, 1 Oct 84 pp 19-21

[Article by Chang Ming-chih: "Changes in China"]

[Text] A Story About a U.S. Firm To Run a Gambling House in China

Recently a friend from Beijing told me a story, which is said to be highly believable. It says that a certain U.S. tycoon expressed his wish to invest in China during his visit to this country. Of course the cadres were very glad to hear this. But after inquiry, they learned that the tycoon wanted to invest in a gambling house with a brothel. So the cadres quickly refused his offer. The tycoon explained that he knew very well the social customs in China and that the purpose of establishing the gambling house was to serve foreigners residing in China and foreign visitors. This would do no harm to China's customs. The cadres could not decide on this matter. Later, when Deng Xiaoping heard of this, he gave the following instructions: The demands of this U.S. merchant can be taken into consideration. He can lease a deserted and uninhabited small island where he can do his business freely on the following terms:

1. He should pay a very high rent;
2. The prostitutes should be imported from abroad; and
3. No Chinese should be allowed onto that island.

The subsequent development of this story is still unknown and, of course, its truthfulness has yet to be proved. However, it seems to be reasonable and logical. Earlier, there had been hearsay about the establishment by Hong Kong businessmen of a gambling house (or casino) in Shenzhen. The three points in the instructions do not harm the dignity of China in any case. Moreover, China can gain profits and make full use of its land by so doing. Since the island is separated from the mainland by sea, the problems of pollution can easily be prevented. This is really a concrete practice of the tactics of one country, two systems. Why should it not be adopted?

With the expansion of his power, the line of Deng Xiaoping has also gone deeper into the people's hearts. Over the past year or so, the tide of reform has pushed forward throughout the country and has become irresistible. Some people from inland China say that there were some complaints among the people 2 years ago, but that now they have no time even to make complaints: The tide is pushing everybody forward.

According to a recent XINHUA report, in Dazhai, a former "leftist" model, the systems of contracted responsibility and fixing farm output quotas for each household have also been adopted since last year, after 2 years of "hesitation." As a result, its income has doubled.

It seems that there should be no doubt about the good situation. However, can we be optimistic without any reservations? Not long ago a foreign investigation report of an Associate Professor Wen, in which he also said something about the special zones, was relayed to all units of Beijing. The report was certainly aimed at supporting the policy of opening to the outside world. There was a story that impressed people deeply. Referring to the fact that some people have failed to gain a full understanding of the open-door policy, it says that once, after paying a visit to Shenzhen for several days, a member of the Central Advisory Commission, a veteran revolutionary holding a high position, wept bitterly and said: "Everything there has been changed except for the red flag. It is no longer our land."

We can make no comments on these remarks. However, it is a fact that Shenzhen has changed a great deal. It is also said that some salesgirls no longer want people to call them "comrade," but when they are called "miss," they will answer you with a smile. Although this is not a great event, it was, like Deng Xiaoping's three points in the instructions on leasing an island, inconceivable in the past.

The tears of that old man of the Central Advisory Commission remind us that there are still some elements within the CPC who hold different views from Deng Xiaoping, and that, in the ranks of the reformists, there are also some fellow travelers who could take different actions due to differences in opinion.

#### The Cycle of Change Between Right and Left

On most instances, the word "change" has a good meaning, of development and exploring the new. However, in China, it has a more complicated meaning. Based on past experiences and tradition, people generally fear "change" more than they welcome it. Those who like to live in peace and are satisfied with the existing state of affairs have the strongest dislike for the word "change." When change eventually occurs, they always hope that the period of change will be shorter, so that things will become stable again as soon as possible. Once their life has become stable again, they do not wish to see any further change. People often criticize the Communist Party for "making changes more quickly than making plans."

The Communist Party likes to make changes and is good at making changes. This probably has something to do with its revolutionary philosophy. Does the transformation it often talks about not mean making changes? Sometimes, when many changes are made, they become "independent of man's will." People are not even aware of these changes.

The history of the CPC in running the country over the past 35 years is one full of change between right and left. At least, in terms of running a country in peacetime, no other big country, neither Britain, the United States, nor Japan, India or the USSR, have had such a history of instability as China.

Despite the differences between their political systems and achievements, they do not have so many experiments, struggles, and revolutions in internal policies, except in time of war.

In 1953 the CPC put forward a general line for the transitional period, which emphasized industrialization and socialist transformation. However, in 1957, when initial achievements had just been made, the line was changed. It was followed by the anti-rightist struggle and, later, the Great Leap Forward and the people's commune movement. By turning to the left and trying to attain the highest level in one step, the CPC suffered a heavy fall. From 1961, it began to turn to the right and, through readjustment and consolidation and practicing three freedoms and one contract, it began to regain its strength. But only 5 years later all this was considered to be a rightist tendency and discarded. In 1966 it turned to the left again and launched the Great Cultural Revolution lasting 10 years. In 1978, it again turned to the right and went even further. Compared with ultraleftism, the current policies can be regarded as ultrarightist policies.

The main rhythm of the past 30 years was a cycle and repetition of a rock-and-roll of left-right-left-right.

#### Small Cycles of Open, Restrict, Again Open, and Again Restrict

This is a major change. There are also some small changes, or small vacillations and short stages within particular longer periods and small cycles within particular great cycles.

In the course of shaping Deng Xiaoping's line since 1978, we can also find examples of these cycles.

In 1978 and 1979, as a result of advocating emancipation of the mind, breaking into the forbidden zone, criticizing and negating Mao, restricting big-character posters, establishing Democracy Wall, and encouraging literature represented by "The Wounded," socialism was unprecedently attacked. In essence, this rightist ideological trend was stronger than that which appeared in 1957 during the period of the free airing of views, and was characterized by unanimity between officials and the public. That of 1957 was but an "open conspiracy." There was no "free airing" of official views. Another major difference between the trend in 1979 and that in 1957 was that they had different backgrounds. In 1957, China's internal development was quite normal, and the free airing of views was but an agitation for freedom of speech, under the influence of the movement to negate Stalin. But the liberalization of 1979 was an accusation and criticism of the ultraleftist autocracy in the previous 20 years, especially the calamity of the Cultural Revolution. There is a great difference between the former and the latter in depth and background.

This ideological trend began to draw back in 1980. Instead, an anti-liberalization movement from the left reached a new high tide in 1981. Bai Hua and other writers were criticized, some nongovernment publications and the "four freedoms" were abolished or abridged, some young people of the democracy movement were arrested, and a resolution on certain questions in history, which reaffirmed Mao's position, was adopted by the sixth plenary session. Many young people again felt depressed. From 1981 to 1982, a number of incidents of people betraying and fleeing their country occurred.

After the high tide of the anti-liberalization movement, the Bai Hua incident was brought to an end, and the atmosphere gradually became relaxed. Some bold writers again began to seek opportunities to publish their new works. In the first half of 1983, Zhou Yang published his views on alienation, and Bai Hua's new historical play, which criticized Mao, was on stage in Beijing and spoken of highly in official quarters. There seemed to be a new atmosphere of a free airing of views. A number of semi-open unwholesome amusement places also appeared.

Thus, some people cried out in fear that there would be a flood of pornography. At that time, there were increasing numbers of crimes.

For this reason, in the autumn of 1983, there was again a tendency toward restriction. The "suppression of social crimes" was followed by the "elimination of spiritual pollution." Under this forceful current, many people were attacked and the scope was swiftly expanded, which had been rare since the anti-liberalization movement in 1981. For a time, all the jails were full. Both humanism and fashionable hairstyles were criticized. The difference between this anti-pollution movement and the anti-liberalization movement 2 years before was that the former was launched by the upper strata, rather than by the conservatives in the Army. The strength of this movement showed that conservative forces have a profound latent capacity and that, when conditions allow, they can arouse and gather people to fight.

Thus, we can see clearly that over the past 6 or 7 years since Deng Xiaoping resumed power, under the general trend of opening to the outside world and turning to the right, there have also appeared two cycles of open, restrict, again open, and again restrict.

#### The New Cycle Will Lead Farther to the Right

How about now? At present, a new cycle has begun. In the economic field, the policy of opening to the outside world has been greatly developed. The movement to eliminate spiritual pollution has been negated in reality. Dancing, popular music, and various fashion designs have not only been restored, but also encouraged by the government. It is also required that a varied and colorful "night life" should be organized. On the sensitive ideological front, official quarters are attempting to revitalize the creative power of the writers by publishing the "Selected Works of Zhou Yang." In the political field, more outstanding progress has been made. The slogans such as totally negating the Cultural Revolution, negating "putting politics in command," and stopping the bad habit of making other people suffer have been put forth.

A scene of liberalization staging a comeback is becoming clearer and clearer. This is another change. This change is so great that even the media in Taiwan has been stunned. Recently, in its editorial, CHUNG KUO SHIH PAO raised a series of questions on this "silent change" in the CPC, which it was unable to answer. It admitted that, judging from the CPC's internal and external policies in various fields, people can see that they are not those likely to be carried out by communists.

What people still worry about is whether this situation will also be changed to its opposite some day in the future, or whether right will become left again. As has already been mentioned, over the past 30 years or so, the CPC has been changing all the time between right and left. Can we thus draw the conclusion that the right of today will certainly be replaced by the left tomorrow? If we fully affirm this, we may be regarded as advocates of the theory of historical cycles.

It is better for us to make some concrete analysis of the changes today than to just reach hastily conclusions

#### The Recent Enormous Changes in the Political and Ideological Fields

A characteristic of the changes over the past few years is that there have not been great changes in the economic field, which has always followed the direction of opening to the outside world and attaching importance to actual results; the changes have basically occurred in the political and ideological fields and in social life.

This characteristic merits our attention. The anti-liberalization movement and the movement to eliminate spiritual pollution certainly had a background of factional struggle and fighting for power within the CPC. However, the role played by economic factors as a lever cannot be neglected. Each time leftism rose up, no matter where it came from, it was restricted to a certain extent. This rarely happened in the past. It shows the wisdom of the Deng-Hu faction or, rather, their stake in the open-door economic policy. If they do not lose this stake, there will be an opportunity for the superstructure to turn to the right.

We can give a very interesting example to show the relationship between the economic base and the superstructure. The recent fashion show by Shanghai models in Hong Kong attracted people's attention. Western-style fashion shows and professional models are obviously one of the windows showing the culture and way of life in the West. Their flavor, taste, and trend can be regarded as the most expressive footnotes to the concepts of modern bourgeois aesthetics. It is natural that such shows were resisted by the CPC in the past. However, at present, Shanghai has sent its models to Hong Kong to learn from the latter's experience, and the models have carefully imitated Western models in their fashion shows (of course, there is also something of a Chinese style). They will also give shows in Japan.

In appearance, this shows that the CPC has adopted a more open and free policy, but in essence, it shows that China wants to make its textile products more competitive in the world market. If China knows very little about world trends and the needs of the world market, its production cannot be stimulated and its products will be less attractive. Thus, fashion shows can play the role of a medium between production and consumption. In other words, as a result of practicing the open-door economic policy, China's fashion shows have begun to learn from other countries, and this has inevitably exerted an influence on China's society in the cultural and ideological fields.

#### Rule by Man Leads to Rapid Changes

At the same time, we must not neglect another important factor leading to China's recent changes, that is, the traditional rule by men.

All common people on China's mainland know the importance of leaders and chief leaders. "Who has the final say?" This is a question one should understand before everything else in Chinese society. At present, some peasants are praying for Deng Xiaoping, hoping that he can enjoy a long, long life. This is because everybody understands that all the current flexible policies are carried out in accordance with his will and determination. The CPC's propaganda has not concealed this either. The decision on the opening of the 14 coastal cities was made fully in accordance with Deng's will; the meeting to adopt it was but a supplementary measure providing a legal basis.

In a country without democracy, a good emperor is certainly better than a bad one. Once there is a good emperor, a kind of inertia can usually emerge among the people, who want to rely on the good emperor and who have little confidence in or patience with democracy. On the other hand, when the emperor is much liked by the people, he may become arrogant and consider himself to be always correct. This is also a lesson drawn from Mao Zedong's mistakes.

Is Deng Xiaoping a "good emperor"? Of course he is better than Mao Zedong. He is probably better than Zhou Enlai. Despite all this, the sad fact is that he is already 80. There is at least a time limit; he can not be immortal.

Perhaps because of this, China's current reforms bear another characteristic, that is, rapidity and impatience.

Compared with the USSR and Eastern Europe, China's reforms are more rapid. Hungary, Romania, and other East European countries have paid a high price for their independent reforms. The reforms in the USSR were criticized by the CPC as examples of revisionism in the 1960's. But, in fact, the socialist economic system has been most completely preserved in this country, even to this day the import of foreign capital is still not allowed.

Of course, the changes in China can be explained as a reaction to the long-term rule of the ultraleftist system. This is a specific historical condition in China. However, the role of individuals can under no circumstances be neglected, especially in a country like China. Being eager for quick success and instant benefit and having a fondness for the grandiose are two aspects of the communist temperament once frankly admitted by Mao Zedong. They are not used to quiet development and are always inclined to do things on a grand and spectacular scale, so that everything they do may look more brilliant. The recent endless activities to greet and commend the Olympic winners is a new example. They are found of making sudden and substantial changes.

Undoubtedly Deng Xiaoping also has the same temperament. Either because of his sense of responsibility and personal honor or hidden worries about his successor, he wishes to speed up the pace, so as to create a fait accompli that cannot be easily changed in the future. Recently he told foreign visitors that if the reforms continue to develop smoothly in the coming few years, the new system will possibly become a stable one.

However, there is no precedent in Chinese history for a new system to be firmly established with only the effort of "several years." What we should particularly point out is that although the current new system includes adherence to the four basic principles and the suppression of radical elements, it also includes the negation of the essence of socialism. This is a fact as plain as day.

Thus, there is inevitably the danger that the reform will meet the challenge of millions upon millions of cadres cultivated by Mao over the past decades.

It is true that the people welcome the reforms. But in an undemocratic country, the people have no power of veto. Is it not true that they had no choice at all in the changes over the past 30-plus years?

Referring to the continuation of policy, Deng Xiaoping emphasized that "so long as the policy is correct, it will not be changed, otherwise the people will not agree." This can only be regarded as propaganda. What is a correct policy? I think he is more clear on this than the others. We would like to ask, in the debate on "criticizing and opposing revisionism" which he also took an active part in, how many things were correct?

From this we can draw a partly effective inference, that is, in the future, whether the political system after Deng can remain stable will depend mainly on the relative strengths of both sides within the CPC's top leading body.

Also, there are two kinds of changes: the change of system, such as the change from the Hua Guofeng system to the Deng Xiaoping system; and the changes within a system, such as the changes between liberalization and opposing liberation within the Deng Xiaoping system. It seems that the latter will be more possible than the former, and that it will be impossible for things to remain unchanged.

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